

BEFORE THE
GOVERNANCE SUBCOMMITTEE OF THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: AS INDICATED ON THE AGENDA

DATE: THURSDAY, FEBRUARY 17, 2011
3:30 P.M.

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

BRS FILE NO.: 89382

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
CALL TO ORDER	3
ROLL CALL	3
3. CONSIDERATION OF CRITERIA AND PARAMETERS FOR CHAIR OF CIRM'S GOVERNING BOARD AND PROCESS AND TIMELINE FOR CONSIDERATION OF NOMINEES FOR CHAIR OF CIRM'S GOVERNING BOARD.	4
*MEMO FROM REMCHO, JOHANSEN & PURCELL- GOVERNANCE SUBCOMMITTEE SURVEY RESULTS	
*BOARD SURVEY RESULTS PART I	
*BOARD SURVEY RESULTS PART II	
* DUTIES OF THE CHAIR	
* VOTING PATTERNS 2008-2011	
*CRITERIA AND PARAMETERS FOR CHAIR POSTED FROM JANUARY 26TH ICOC MEETING	
4. CONSIDERATION OF AMENDMENTS TO INTERNAL GOVERNANCE POLICY.	
5. CLOSED SESSION	NONE
6. PUBLIC COMMENT.	NONE
7. ADJOURNMENT	75

BARRISTERS' REPORTING SERVICE

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THURSDAY, FEBRUARY 17, 2011

3:30 P.M.

CHAIRPERSON LANSING: WELL, LET'S HOPE THAT HE JOINS US SOON. AND MEANWHILE, THANK THE REST OF YOU FOR PARTICIPATING IN THIS CALL. AND MELISSA, YOU CAN CALL THE ROLL.

MS. KING: OKAY. BOB KLEIN.

CHAIRMAN KLEIN: PRESENT.

MS. KING: SHERRY LANSING.

CHAIRPERSON LANSING: HERE.

MS. KING: TED LOVE.

DR. LOVE: HERE.

MS. KING: PHIL PIZZO. CLAIRE POMEROY.

DR. POMEROY: HERE.

MS. KING: DUANE ROTH.

MR. ROTH: HERE.

MS. KING: DAVID SERRANO-SEWELL.

MR. SERRANO-SEWELL: HERE.

MS. KING: JEFF SHEEHY.

MR. SHEEHY: HERE.

MS. KING: OSWALD STEWARD. AND ART TORRES.

MR. TORRES: HERE.

CHAIRPERSON LANSING: ALL RIGHT. WE'RE

BARRISTERS' REPORTING SERVICE

1 GOING TO MOVE ON NOW TO AGENDA ITEM NO. 3, WHICH IS
2 CONSIDERATION OF THE CRITERIA AND PARAMETERS FOR
3 CHAIR OF CIRM'S GOVERNING BOARD.

4 AS ALL OF YOU KNOW, WE HAD AN INITIAL
5 DISCUSSION REGARDING THIS CRITERIA, AND THE PROCESS
6 FOR SELECTING THE CHAIR AT OUR MEETING ON JANUARY
7 26TH. AT THAT MEETING THE GOVERNANCE SUBCOMMITTEE
8 VOTED TO RECOMMEND THAT THE BOARD STAFF CONDUCT A
9 SURVEY OF THE BOARD REGARDING THE BOARD'S
10 PERFORMANCE AND ALSO THE CRITERIA NEEDED FOR THE
11 CHAIR.

12 AND WE NOW HAVE THE RESULTS OF THAT SURVEY
13 THAT YOU SHOULD ALL HAVE IN FRONT OF YOU. THIS
14 INFORMATION IS ALSO POSTED ON CIRM'S WEBSITE WITH
15 THE AGENDA THANKS TO MELISSA KING AND AMY CHEUNG.
16 SO TODAY WE'RE GOING TO DISCUSS THE SURVEY RESULTS
17 AND MOVE FORWARD WITH FURTHER DISCUSSION REGARDING
18 CRITERIA FOR OUR NEXT CHAIR.

19 AND I'D LIKE TO ASK JAMES TO KIND OF WALK
20 US THROUGH THE SURVEY RESULTS SO WE CAN ALL MAKE
21 SURE THAT WE'RE IN AGREEMENT ON THAT. JAMES.

22 MR. HARRISON: THANKS, SHERRY. AS SHERRY
23 SAID, BASED ON CLAIRE POMEROY'S SUGGESTION AT THE
24 LAST MEETING OF THE GOVERNANCE SUBCOMMITTEE, THE
25 GOVERNANCE SUBCOMMITTEE'S RECOMMENDATION AND THEN

BARRISTERS' REPORTING SERVICE

1 THE BOARD'S APPROVAL, WE DISTRIBUTED A SURVEY TO ALL
2 THE BOARD MEMBERS AND ALTERNATES ON FEBRUARY 2D.
3 AND WE ASKED MEMBERS TO RESPOND TO THE SURVEY BY
4 FEBRUARY 10TH.

5 THE SURVEY SOUGHT INFORMATION REGARDING
6 MEMBERS' ASSESSMENT OF THE BOARD'S PERFORMANCE,
7 THEIR SELF-ASSESSMENT, AND THEIR ASSESSMENT OF THE
8 DESIRED ATTRIBUTES, SKILLS, PERCENT EFFORT, AND
9 COMPENSATION FOR CHAIR. WE ALSO ASKED MEMBERS TWO
10 OPEN-ENDED QUESTIONS REGARDING THE MANNER IN WHICH
11 THE CHAIR AND STATUTORY VICE CHAIRS' STATUTORY
12 RESPONSIBILITIES SHOULD BE CARRIED OUT AND ALSO THE
13 APPROPRIATE RELATIONSHIP BETWEEN THE CHAIR AND THE
14 VICE CHAIRS AND THE PRESIDENT.

15 AS I SAID, WE ASKED MEMBERS TO RESPOND BY
16 FEBRUARY 10TH. AS OF FEBRUARY 11TH, 20 MEMBERS AND
17 ALTERNATES HAVE RESPONDED. WE PREPARED A SUMMARY
18 THAT SHERRY REFERRED TO WHICH HOPEFULLY ALL OF YOU
19 HAVE, WHICH I HOPE IS SELF-EXPLANATORY. BUT I WOULD
20 LIKE TO BRIEFLY REVIEW SOME OF THE KEY INFORMATION.

21 FIRST, WITH RESPECT TO THE BOARD'S
22 ASSESSMENT, THE SURVEY REVEALED SEVERAL THINGS.
23 FIRST, IT SHOWED THAT 90 PERCENT OF THE RESPONDENTS
24 BELIEVE THAT CIRM LIVES UP TO ITS MISSION. IT ALSO
25 SHOWED THAT 90 PERCENT OF THE RESPONDENTS BELIEVE

BARRISTERS' REPORTING SERVICE

1 THAT THE BOARD SOMETIMES DELVES INTO EXCESSIVE
2 ADMINISTRATIVE AND MANAGEMENT DETAILS. THE SURVEY
3 REVEALED THAT 75 PERCENT OF THE RESPONDENTS
4 EXPRESSED AN INTEREST IN GREATER INPUT INTO THE
5 PREPARATION OF THE BOARD'S AGENDA. AND FINALLY, IT
6 SHOWED THAT THE RESPONDENTS WERE SPLIT AS TO WHETHER
7 THE BOARD IS TOO INFLUENCED BY MANAGEMENT WITH 50
8 PERCENT SAYING NO AND 50 PERCENT RESPONDING EITHER
9 YES OR SOMETIMES.

10 TURNING TO THE SELF-ASSESSMENTS, THE
11 MEMBERS' RESPONSES REFLECTED THEIR SUPPORT FOR
12 CIRM'S MISSION AND ALSO THEIR UNDERSTANDING OF THEIR
13 ROLE AND RESPONSIBILITIES WITH 100 PERCENT AND 95
14 PERFECT RESPECTIVELY ANSWERING THOSE QUESTIONS IN
15 THE AFFIRMATIVE.

16 THE SURVEY ALSO REVEALED THAT THE
17 RESPONDENTS WERE VERY ENGAGED, WITH 90 PERCENT
18 RESPONDING THAT THEY COME TO BOARD MEETINGS FULLY
19 PREPARED AND THAT THEY THINK ABOUT THE WORK OF CIRM
20 IN BETWEEN MEETINGS. THE MAJORITY OF MEMBERS ALSO
21 INDICATED THAT THEY FELT COMFORTABLE EXPRESSING A
22 DISSENTING OPINION, BUT 35 PERCENT OF THE
23 RESPONDENTS INDICATED THAT THEY SOMETIMES DON'T FEEL
24 COMFORTABLE RAISING AND DISCUSSING A DISSENTING OR
25 CONTRARY POINT OF VIEW.

BARRISTERS' REPORTING SERVICE

1 WE ALSO ASKED MEMBERS TO IDENTIFY THE
2 THREE MOST IMPORTANT ATTRIBUTES FOR A NEW CHAIR.
3 MULTIPLE RESPONDENTS IDENTIFIED THE ABILITY TO
4 COLLABORATE AND BUILD CONSENSUS AS A KEY ATTRIBUTE
5 FOR THE CHAIR WITH TEN RESPONDENTS INDICATING THAT
6 IT WAS THE MOST IMPORTANT ATTRIBUTE. FIFTEEN
7 RESPONDENTS ALSO IDENTIFIED LEADERSHIP AND VISION AS
8 KEY ATTRIBUTES. AND MULTIPLE RESPONDENTS ALSO
9 IDENTIFIED KNOWLEDGE, INTELLECTUAL CURIOSITY,
10 COLLEGIALITY, AND INTEGRITY AS KEY ATTRIBUTES FOR
11 THE NEW CHAIR.

12 WE ALSO ASKED MEMBERS TO IDENTIFY THE
13 THREE MOST IMPORTANT SKILLS THEY DESIRED IN A NEW
14 CHAIR. AND TEN RESPONDENTS IDENTIFIED ADVOCACY
15 SKILLS AS A CRITICAL COMPONENT FOR THE CHAIR.
16 TWELVE RESPONDENTS LISTED LEADERSHIP AND VISION AS
17 ONE OF THE MOST IMPORTANT SKILLS FOR A NEW CHAIR,
18 WHILE OTHERS IDENTIFIED THINGS LIKE SCIENTIFIC
19 KNOWLEDGE, GOVERNMENT EXPERIENCE, FINANCIAL
20 KNOWLEDGE, AND BOARD MANAGEMENT SKILLS AS IMPORTANT
21 ATTRIBUTES.

22 AS I MENTIONED EARLIER, WE ALSO ASKED
23 OPEN-ENDED QUESTIONS WITH RESPECT TO THE DUTIES OF
24 THE CHAIR. AND THOSE QUESTIONS ELICITED A VARIETY
25 OF DIFFERENT RESPONSES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JAMES, I THINK THAT MAY BE
2 DR. STEWARD. DR. STEWARD, WERE YOU ABLE TO JOIN US?

3 DR. STEWARD: YES. THIS IS ME.

4 MS. KING: EXCELLENT. THANK YOU SO MUCH.
5 WE JUST GOT STARTED. JAMES IS WALKING US THROUGH A
6 SUMMARY OF THE SURVEY RESULTS. GO AHEAD, JAMES.
7 THANK YOU.

8 MR. HARRISON: DR. STEWARD, WE'RE JUST
9 TALKING NOW ABOUT THE TWO OPEN-ENDED QUESTIONS IN
10 THE SURVEY WHICH ASKED ABOUT THE APPROPRIATE
11 ALLOCATION OF RESPONSIBILITIES AND THE REPORTING
12 RELATIONSHIP BETWEEN THE CHAIR AND VICE CHAIRS, THE
13 BOARD, AND THE PRESIDENT.

14 AS ALL OF YOU KNOW, UNDER PROP 71, THE
15 CHAIR AND THE STATUTORY VICE CHAIR HAVE SPECIFIC
16 STATUTORY RESPONSIBILITIES FOR, AMONG OTHER THINGS,
17 EXTERNAL FINANCE, PUBLIC COMMUNICATION, GOVERNMENT
18 RELATIONS, AND SUPERVISION OF CIRM'S PUBLIC
19 ACCOUNTABILITY REQUIREMENTS. BY STATUTE, THE CHAIR
20 ALSO SERVES AS A MEMBER OF THE WORKING GROUPS AND
21 THE CALIFORNIA STEM CELL RESEARCH AND CURES FINANCE
22 COMMITTEE, WHICH IS THE STATE FINANCE COMMITTEE
23 CHARGED WITH AUTHORIZING THE SALE OF BONDS ON CIRM'S
24 BEHALF.

25 SHORT OF ANOTHER BALLOT MEASURE, THAT

BARRISTERS' REPORTING SERVICE

1 ALLOCATION OF RESPONSIBILITY CANNOT BE CHANGED.
2 HOWEVER, THE BOARD DOES HAVE SOME DISCRETION
3 REGARDING HOW THESE DUTIES SHOULD BE CARRIED OUT.
4 THUS, ALTHOUGH THE QUESTION WAS OPEN-ENDED, WE
5 SUGGESTED SOME POSSIBILITIES THAT ARE WITHIN THE
6 BOARD'S POWER, INCLUDING, FOR EXAMPLE, THE CHAIR AND
7 THE VICE CHAIR COULD CARRY OUT THESE DUTIES IN
8 PARTNERSHIP WITH THE PRESIDENT, EACH WITH
9 WELL-DEFINED RESPONSIBILITIES APPROVED BY THE BOARD
10 WITHIN THEIR RESPECTIVE AREAS OF EXPERTISE, OR THE
11 BOARD COULD REQUEST THAT THE CHAIR AND VICE CHAIR
12 DELEGATE THESE DUTIES TO STAFF TO THE EXTENT
13 PERMITTED BY LAW, AN OVERSIGHT ROLE RATHER THAN AN
14 OPERATIONAL ROLE.

15 A THIRD EXAMPLE WE SUGGESTED WAS THAT THE
16 CHAIR AND VICE CHAIR COULD BE REQUESTED TO SHARE
17 RESPONSIBILITY FOR THOSE DUTIES WITH OTHER MEMBERS
18 OF THE BOARD. ALTHOUGH IT'S NOT EXACT, WE'VE
19 ATTEMPTED TO CATEGORIZE THE ANSWERS TO THIS QUESTION
20 ALONG THE LINES OF THESE EXAMPLES. AND GENERALLY
21 SPEAKING, THE SURVEY SUGGESTS THAT RESPONDENTS ARE
22 FAIRLY EVENLY SPLIT BETWEEN THOSE WHO BELIEVE THE
23 CHAIR AND THE VICE CHAIR SHOULD DELEGATE THEIR
24 STATUTORY DUTIES TO THE EXTENT PERMITTED BY LAW AND
25 THOSE WHO BELIEVE THE CHAIR AND VICE CHAIR SHOULD

BARRISTERS' REPORTING SERVICE

1 CARRY OUT THEIR DUTIES IN PARTNERSHIP WITH THE
2 PRESIDENT, EACH WITH WELL-DEFINED RESPONSIBILITIES
3 IN THEIR RESPECTIVE AREAS OF EXPERTISE.

4 SO IN SUMMARY, NINE RESPONDENTS ANSWERED
5 THAT THE CHAIR AND VICE CHAIR SHOULD DELEGATE THE
6 RESPONSIBILITIES. SEVEN MEMBERS SAID THAT THE CHAIR
7 AND VICE CHAIR SHOULD WORK IN PARTNERSHIP WITH THE
8 PRESIDENT. AND THREE SAID THAT THE CHAIR AND VICE
9 CHAIR SHOULD OPERATIONALLY MANAGE THEIR
10 RESPONSIBILITIES. ONE RESPONDENT SAID THE CHAIR AND
11 VICE CHAIR SHOULD SHARE RESPONSIBILITY FOR THEIR
12 DUTIES WITH OTHER BOARD MEMBERS.

13 THE RESPONSES TO THE OTHER OPEN-ENDED
14 QUESTION RELATING TO THE REPORTING RELATIONSHIP
15 BETWEEN THE CHAIR AND VICE CHAIRS, THE BOARD, AND
16 THE PRESIDENT REVEALED A SIMILAR SPLIT WITH 11 OF
17 THE RESPONDENTS PREFERRING A TRADITIONAL PRESIDENT,
18 BOARD CHAIR, AND BOARD REPORTING MODEL, AND EIGHT
19 RESPONDENTS PREFERRING A PARTNERSHIP MODEL.

20 FINALLY, THE SURVEY ASKED BOARD MEMBERS
21 REGARDING THE APPROPRIATE PERCENT EFFORT AND
22 COMPENSATION FOR CHAIR. SIX RESPONDENTS EXPRESSED
23 THE VIEW THAT THE POSITION OF CHAIR SHOULD REMAIN AT
24 A 50-PERCENT COMMITMENT LEVEL. SEVEN RESPONDENTS
25 SUGGESTED THAT IT SHOULD BE SOMEWHERE BETWEEN 50 AND

BARRISTERS' REPORTING SERVICE

1 100 PERCENT, WHILE THREE RESPONDENTS SAID IT SHOULD
2 BE SOMEWHERE BETWEEN 20 AND 50 PERCENT.

3 THE RESPONSES REGARDING COMPENSATION WERE
4 A LITTLE BIT MORE DIFFICULT TO DECIPHER, BUT REVEAL
5 A FAIRLY WIDE SPLIT, RANGING FROM \$50,000 FOR
6 50-PERCENT EFFORT TO \$550,000 FOR 100-PERCENT
7 EFFORT. IN RETROSPECT, WE MAY HAVE OBTAINED BETTER
8 INFORMATION IF WE HAD ASKED MEMBERS TO TELL US WHAT
9 THEY THOUGHT THE SALARY SHOULD BE ASSUMING 100
10 PERCENT EFFORT WITH THE UNDERSTANDING THAT IT WOULD
11 BE ADJUSTED BASED ON THE PERCENT EFFORT.

12 HOWEVER, IF YOU LOOK AT THE RESPONSES AND
13 EXTRAPOLATE FROM THEM BASED ON AN ANNUALIZED RATE,
14 WHAT YOU FIND IS THAT FIVE RESPONDENTS BELIEVE THAT
15 THE COMPENSATION FOR THE CHAIR AT 100-PERCENT EFFORT
16 SHOULD BE \$500,000 OR MORE. ELEVEN RESPONDENTS WERE
17 SOMEWHERE BETWEEN 250,000 AND 500,000 PLUS AGAIN
18 EXTRAPOLATED TO 100 PERCENT EFFORT, AND ONE
19 RESPONDENT FELT THAT THE COMPENSATION SHOULD BE LESS
20 THAN \$250,000 AT 100-PERCENT EFFORT.

21 SO THAT'S A SUMMARY OF THE FINDINGS OF THE
22 SURVEY. SHERRY, I'D BE HAPPY TO ANSWER ANY
23 QUESTIONS.

24 CHAIRPERSON LANSING: WELL, I THINK WHAT
25 WE SHOULD DO IS BREAK THIS DOWN INTO THE VARIOUS

BARRISTERS' REPORTING SERVICE

1 POINTS OF THE SURVEY. SO I'D LIKE TO START THIS
2 DISCUSSION WITH DISCUSSION OF THE ATTRIBUTES AND
3 SKILLS FOR OUR NEW CHAIR. AND THE SURVEY RESULTS
4 INDICATE, AS JAMES SAID, THAT THE BOARD MEMBERS FEEL
5 THAT THE FOLLOWING ATTRIBUTES ARE THE MOST
6 IMPORTANT: COLLABORATIVE, LEADERSHIP, VISION,
7 KNOWLEDGEABLE, AND INTELLECTUAL CURIOSITY.

8 IS THERE ANYONE THAT WOULD LIKE TO MAKE A
9 MOTION THAT WE RECOMMEND THESE ATTRIBUTES TO THE
10 CONSTITUTIONAL OFFICERS AND THE BOARD CONSIDER THESE
11 ATTRIBUTES WHEN EVALUATING POTENTIAL CANDIDATES FOR
12 CHAIR?

13 DR. LOVE: THIS IS TED. I'M COMFORTABLE
14 MAKING THAT MOTION BECAUSE I THINK IT DOES REFLECT
15 THE INPUT THAT WE'VE GOTTEN. AND CERTAINLY I THINK
16 OUR ATTRIBUTES ARE IMPORTANT, AT LEAST IN MY
17 OPINION.

18 CHAIRMAN KLEIN: SHERRY, THIS IS BOB.
19 I'LL SECOND IT.

20 CHAIRPERSON LANSING: THERE WAS UNANIMITY
21 AMONG US, SO I'M GOING TO DO IT. SO WE HAVE A
22 SECOND.

23 CHAIRMAN KLEIN: THIS IS BOB. I'LL SECOND
24 THE MOTION.

25 CHAIRPERSON LANSING: GOOD. NOW IS THERE

BARRISTERS' REPORTING SERVICE

1 ANY DISCUSSION? THEN, DO I NEED A ROLL CALL VOTE OR
2 CAN I JUST SAY ALL IN FAVOR?

3 MS. KING: WE ACTUALLY NEED TO DO A ROLL
4 CALL VOTE, SHERRY, SINCE WE'RE ON THE PHONE.

5 CHAIRPERSON LANSING: OKAY. CAN YOU DO
6 THAT, MELISSA.

7 MS. KING: ABSOLUTELY.

8 MR. HARRISON: SHERRY, WE SHOULD REQUEST
9 PUBLIC COMMENT FIRST.

10 CHAIRPERSON LANSING: CAN I HAVE PUBLIC
11 COMMENT? IS THERE ANY PUBLIC COMMENT AT ANY OF THE
12 SITES?

13 MS. KING: WE DO HAVE ONE HERE IN SAN
14 FRANCISCO. WE HAVE DON REED. AND, DON, BEFORE YOU
15 MAKE YOUR COMMENT, JAMES, I JUST WAS WONDERING IF
16 MAYBE YOU WOULD STATE THE MOTION CLEARLY SO THAT
17 EVERYBODY ON THE PHONE, MEMBERS OF THE BOARD AND
18 MEMBERS OF THE PUBLIC INCLUDED, UNDERSTAND EXACTLY
19 WHAT THAT MOTION IS.

20 MR. HARRISON: SURE. THE MOTION, AS I
21 UNDERSTAND IT, IS TO RECOMMEND TO THE CONSTITUTIONAL
22 OFFICERS AND THE BOARD THAT THEY CONSIDER THE
23 FOLLOWING ATTRIBUTES WHEN EVALUATING POTENTIAL
24 CANDIDATES FOR CHAIR. AND THEY ARE COLLABORATIVE,
25 LEADERSHIP AND VISION, KNOWLEDGEABLE, AND

BARRISTERS' REPORTING SERVICE

1 INTELLECTUALLY CURIOUS.

2 CHAIRPERSON LANSING: DON REED. PLEASE.

3 DR. REED: ONE OF THE THINGS THAT WORRIED
4 ME THE MOST WHEN WE FIRST STARTED COMING TO THE
5 MEETINGS WAS THAT EVERYBODY ON THE ICOC IS A TOP
6 MEMBER OF THEIR FIELD, NOBEL LAUREATES, MOTION
7 PICTURE SUPERSTARS, EVERYBODY, INCREDIBLE PEOPLE.
8 AND THEY MUST HAVE GIGANTIC EGOS, BUT THEY ALWAYS
9 LEAVE THEIR EGOS AT THE DOOR. AS A RESULT, WITH THE
10 LEADERSHIP THAT WE HAVE ENJOYED, ALMOST ALWAYS THE
11 COLLABORATIVE SPIRIT UNITES EVERYBODY. SO VERY FEW
12 VOTES ARE CLOSE. I THINK THAT COLLABORATIVE SPIRIT
13 IS KEY, AND I THINK THAT'S A GREAT IDEA.

14 CHAIRPERSON LANSING: THANK YOU FOR YOUR
15 SUPPORT. ANY OTHER COMMENTS FROM THE PUBLIC? ALL
16 RIGHT. MELISSA, WILL YOU DO A ROLL CALL VOTE?

17 MS. KING: YES. BOB KLEIN.

18 CHAIRMAN KLEIN: YES.

19 MS. KING: SHERRY LANSING.

20 CHAIRPERSON LANSING: YES.

21 MS. KING: TED LOVE.

22 DR. LOVE: YES.

23 MS. KING: CLAIRE POMEROY.

24 DR. POMEROY: YES.

25 MS. KING: DUANE ROTH.

BARRISTERS' REPORTING SERVICE

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MR. ROTH: YES.
MS. KING: DAVID SERRANO-SEWELL.
MR. SERRANO-SEWELL: YES.
MS. KING: OSWALD STEWARD.
DR. STEWARD: YES.
MS. KING: JEFF SHEEHY.
MR. SHEEHY: YES.
MS. KING: AND ART TORRES.
MR. TORRES: AYE.
MS. KING: THANK YOU. AND THE MOTION

CARRIES.

CHAIRPERSON LANSING: NOW I'M GOING TO GO ON TO SKILL SETS. THE SURVEY REFLECTED THAT THE MEMBERS BELIEVE THE FOLLOWING SKILLS, IF YOU LOOK AT THE GRAPH, ARE THE MOST IMPORTANT. IN ORDER, ADVOCACY, LEADERSHIP, SCIENTIFIC, GOVERNMENTAL, AND FINANCIAL EXPERTISE. AGAIN, THIS IS WHAT'S PRETTY CLEAR FROM OUR SURVEY.

SO WOULD SOMEONE LIKE TO MAKE A MOTION THAT WE RECOMMEND THAT THE CONSTITUTIONAL OFFICERS AND THE BOARD CONSIDER THESE SKILLS WHEN EVALUATING POTENTIAL CANDIDATES FOR CHAIR?

CHAIRMAN KLEIN: SHERRY, THIS IS BOB. I WOULD MAKE THAT MOTION. AND WITH SCIENTIFIC, I UNDERSTAND IT'S KNOWLEDGE OF SCIENCE OR THE ABILITY,

BARRISTERS' REPORTING SERVICE

1 PROVEN ABILITY, TO UNDERSTAND SCIENCE.

2 CHAIRPERSON LANSING: CORRECT. IT WAS THE
3 THIRD ONE. ADVOCACY WAS FIRST, LEADERSHIP,
4 SCIENTIFIC, GOVERNMENTAL, AND FINANCE EXPERTISE.

5 CHAIRMAN KLEIN: SO I WOULD MAKE THAT
6 MOTION.

7 DR. LOVE: AND I'M HAPPY TO SECOND.

8 CHAIRPERSON LANSING: CAN I HAVE ANY
9 COMMENTS FROM ANY MEMBERS OF THE SUBCOMMITTEE? ANY
10 COMMENTS FROM ANY MEMBERS OF THE PUBLIC?

11 MR. SHEEHY: ACTUALLY, SHERRY, THIS IS
12 JEFF SHEEHY. I JUST WANT TO HAVE CLARIFICATION
13 BECAUSE I THINK -- AND MAYBE JUST -- I THINK WHAT
14 BOB WAS TALKING ABOUT IN TERMS OF ABILITY TO
15 UNDERSTAND, I WANT TO BE CLEAR THAT WE'RE NOT SAYING
16 THAT IT NEEDS TO BE A SCIENTIST.

17 CHAIRPERSON LANSING: THAT IS CORRECT.

18 CHAIRMAN KLEIN: I AGREE, JEFF. THAT WAS
19 MY INTENT.

20 CHAIRPERSON LANSING: THAT IS CORRECT.

21 MR. SHEEHY: YEAH. SO, YOU KNOW, SOMEONE
22 THAT BROUGHT THE SKILL SET OF OUR CURRENT CHAIR, WHO
23 IS REALLY A GREAT ADVOCATE, BUT ALSO HAS A STRONG
24 INTEREST IN THE SCIENCE AND IS ABLE TO PICK UP AND
25 WORK WITH THE SCIENCE, WOULD BE REALLY WHAT WE'RE

BARRISTERS' REPORTING SERVICE

1 REALLY TALKING ABOUT AS OPPOSED TO SOMEONE WHO IS A
2 SCIENTIST PER SE.

3 CHAIRPERSON LANSING: YES. THAT IS
4 CORRECT. IF SOMEONE WAS A SCIENTIST, THEY WOULDN'T
5 BE NEGATED FROM IT, BUT WE WERE VERY CLEAR. SOME OF
6 THESE GRAPHS WERE PRETTY CLEAR AND SOME OF THEM
7 WEREN'T AS WE GET IN. IT WAS WHAT WE MOST VALUED,
8 ADVOCACY AND LEADERSHIP, AND SCIENTIFIC MEANING LIKE
9 A LAYPERSON SCIENTIFIC, BUT, YOU KNOW, WE WOULDN'T
10 DISQUALIFY SOMEONE IF THEY HAD MORE, AND THEN
11 GOVERNMENTAL AND FINANCIAL EXPERTISE.

12 CHAIRMAN KLEIN: SO, JEFF, THAT WAS THE
13 PURPOSE OF MY CLARIFICATION.

14 MR. SHEEHY: OKAY.

15 CHAIRPERSON LANSING: WE'RE IN AGREEMENT.

16 MR. SHEEHY: I THOUGHT SO. I JUST WANTED
17 TO MAKE SURE.

18 CHAIRPERSON LANSING: THANK YOU. ANY
19 COMMENTS FROM OUR COMMITTEE? ANY COMMENTS FROM ANY
20 MEMBERS OF THE PUBLIC?

21 MS. KING: I HAVE DR. PATRICIA OLSON HERE
22 IN SAN FRANCISCO APPROACHING THE MIC.

23 DR. OLSON: I JUST HAVE A QUESTION. AND
24 I'M SORRY I HAVEN'T HAD THE OPPORTUNITY TO READ THE
25 SURVEY. BUT IN THE SAME SENSE OF, YOU KNOW, WE'RE

BARRISTERS' REPORTING SERVICE

1 TALKING ABOUT HOW THERE'S A SCIENCE QUALIFICATION
2 FOR SOMEONE WHO CAN UNDERSTAND AND PARTICIPATE. IS
3 THAT HOW YOU INTERPRET THE ADVOCACY ONE AS WELL?
4 BECAUSE I'M WONDERING, SOME PEOPLE, BECAUSE OF THEIR
5 JOBS, MAY NOT HAVE BEEN, YOU KNOW, ACTIVE IN THE
6 ADVOCACY COMMUNITY, BUT THAT DOES NOT NECESSARILY
7 MEAN THAT THEY COULDN'T, YOU KNOW, BE INTERACTIVE.
8 SO I WAS JUST CURIOUS BECAUSE I HAVEN'T READ.

9 CHAIRMAN KLEIN: I THINK, SHERRY, THIS IS
10 BOB. AS THE MAKER OF THE MOTION, I'D LIKE JAMES TO
11 COMMENT ON THE STATUTORY REQUIREMENTS ON ADVOCACY.

12 CHAIRPERSON LANSING: I WAS JUST GOING TO
13 SAY THAT, BOB. I SWEAR TO GOD.

14 MR. HARRISON: FROM A STATUTORY
15 STANDPOINT, ONE OF THE MANDATORY CRITERIA FOR CHAIR
16 IS THAT HE OR SHE BE ELIGIBLE TO BE APPOINTED AS A
17 PATIENT ADVOCATE MEMBER OF THE BOARD. AND WHAT THAT
18 MEANS IS AS A CALIFORNIA REPRESENTATIVE OF A LOCAL,
19 STATE, OR NATIONAL PATIENT ADVOCACY ORGANIZATION IN
20 ONE OF THE IDENTIFIED -- FROM ONE OF THE IDENTIFIED
21 DISEASE GROUPS SPECIFIED IN PROP 71.

22 DR. OLSON: THANK YOU FOR THE
23 CLARIFICATION.

24 MS. KING: I DON'T KNOW IF YOU WERE ABLE
25 TO HEAR HER, BUT DR. OLSON SAID THANK YOU FOR THE

BARRISTERS' REPORTING SERVICE

1 CLARIFICATION.

2 CHAIRPERSON LANSING: ANY MORE COMMENTS?

3 OKAY. MELISSA, WOULD YOU CALL THE ROLL.

4 MS. KING: YES. JAMES, DO YOU WANT TO
5 RESTATE THE MOTION IF YOU WOULDN'T MIND, PLEASE.

6 MR. HARRISON: SURE. AS I UNDERSTAND IT,
7 THE MOTION IS TO RECOMMEND TO THE CONSTITUTIONAL
8 OFFICERS AND THE BOARD THAT THEY CONSIDER THE
9 FOLLOWING SKILLS WHEN EVALUATING POTENTIAL
10 CANDIDATES FOR PRESIDENT -- EXCUSE ME -- FOR CHAIR:
11 ADVOCACY, LEADERSHIP, SCIENTIFIC UNDERSTANDING, AND
12 GOVERNMENTAL AND FINANCIAL EXPERTISE AND KNOWLEDGE.

13 MS. KING: THANKS SO MUCH, JAMES. BOB
14 KLEIN.

15 CHAIRMAN KLEIN: YES.

16 MS. KING: SHERRY LANSING.

17 CHAIRPERSON LANSING: YES.

18 MS. KING: TED LOVE.

19 DR. LOVE: YES.

20 MS. KING: CLAIRE POMEROY.

21 DR. POMEROY: 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: JEFF SHEEHY.

2 MR. SHEEHY: YES.

3 MS. KING: OSWALD STEWARD.

4 DR. STEWARD: YES.

5 MS. KING: AND ART TORRES.

6 MR. TORRES: AYE.

7 MS. KING: AND FOR THE RECORD THAT MOTION
8 CARRIES. THANK YOU.

9 CHAIRPERSON LANSING: OKAY. NOW WE'RE
10 GETTING INTO THE MORE COMPLEX THINGS. THE
11 ALLOCATION OF THE RESPONSIBILITIES AND RELATIONSHIP
12 BETWEEN THE CHAIR AND VICE CHAIR. SO I WANT TO
13 DISCUSS THE QUESTION REGARDING HOW THE CHAIR AND
14 STATUTORY VICE CHAIRS WOULD CARRY OUT THEIR
15 RESPONSIBILITIES UNDER PROP 71, LIKE THEIR
16 RELATIONSHIP TO THE PRESIDENT. WE RECEIVED A LOT OF
17 DIFFERENT COMMENTS, BUT THERE APPEARED TO BE TWO
18 PRIMARY POSITIONS. SOME PEOPLE FELT THAT THE CHAIR
19 AND VICE CHAIRS SHOULD WORK IN PARTNERSHIP WITH THE
20 PRESIDENT, EACH OF THEM WITH WELL-DEFINED
21 RESPONSIBILITIES IN THEIR RESPECTIVE AREAS OF
22 EXPERTISE.

23 OTHER PEOPLE BELIEVE THAT THE CHAIR AND
24 THE STATUTORY VICE CHAIR SHOULD DELEGATE THEIR
25 OPERATIONAL RESPONSIBILITIES TO WHATEVER EXTENT

BARRISTERS' REPORTING SERVICE

1 POSSIBLE AND SIMPLY PLAY AN OVERSIGHT ROLE.

2 NOW, THESE ARE TWO VERY DIFFERENT POINTS
3 OF VIEW. SO I'M GOING TO ASK FOR COMMENTS, AND THEN
4 I THINK THE BEST THING TO DO WOULD BE TO TAKE A POLL
5 REGARDING THE PREFERRED MODEL. SO ONE WOULD BE, FOR
6 WANT OF A BETTER WORD, SHARED PARTNERSHIP, EACH
7 HAVING THEIR DESIGNED AREAS OF EXPERTISE, AND THE
8 OTHER WOULD BE DELEGATING. SO I'D LIKE TO ASK FOR
9 COMMENTS ON THE COMMITTEE FOR THE BOARD MEMBERS.

10 CHAIRMAN KLEIN: SO, SHERRY, THIS IS BOB.
11 YOU KNOW, I THINK THIS ONE IS A TOUGH ONE BECAUSE
12 UNTIL WE KNOW WHO THE CANDIDATE IS AND KNOW WHAT
13 THEY CAN CONTRIBUTE TO THE MISSION, IT'S VERY
14 DIFFICULT. IF SOMEONE COULD BRING CRITICAL
15 FINANCIAL SKILLS AT A TIME WHEN THE STATE IS GOING
16 THROUGH SOME VERY UNCHARTERED WATERS, THAT MIGHT
17 HAVE A LOT OF EFFECT ON SOME OF THE BOARD MEMBERS.
18 IF THAT PERSON BROUGHT ANOTHER SET OF SKILLS ON
19 EXTRAORDINARY PATIENT ADVOCACY THAT COULD BE VERY
20 IMPORTANT DURING A TIME PERIOD WHEN ACROSS THIS
21 COUNTRY IN ALL THE PRESIDENTIAL -- EARLY
22 PRESIDENTIAL -- MANY OF THE EARLY PRESIDENTIAL
23 PRIMARY STATES, THERE'S ORGANIZATIONS BEING FORMED
24 TO CRIMINALIZE AND/OR JUST BAN EMBRYONIC STEM CELL
25 RESEARCH, THAT, YOU KNOW -- THE ISSUE IS THAT THE

BARRISTERS' REPORTING SERVICE

1 BOARD MEMBERS ARE GOING TO MAKE THEIR OWN DECISIONS,
2 BUT I THINK IT'S GOING TO HAVE A LOT TO DO WITH WHO
3 THE PERSON IS AND WHAT THEY CAN BRING TO THE
4 MISSION.

5 CHAIRPERSON LANSING: BUT, BOB, LET ME
6 PLAY DEVIL'S ADVOCATE BECAUSE I HAVE A FEELING, AND
7 EVERYBODY CAN COMMENT AS WELL. I THINK THE MOST
8 HEALTHY RELATIONSHIP IS WHEN YOU -- THE CHAIR, THE
9 VICE CHAIRS, AND THE PRESIDENT ALL HAVE MUTUAL
10 RESPECT FOR EACH OTHER AND ALL WORK IN PARTNERSHIP.
11 BUT BY PARTNERSHIP I DON'T MEAN OVERLAPPING. I MEAN
12 EACH HAVE THEIR DEFINED AREAS OF EXPERTISE. SO
13 CLEARLY THE PRESIDENT WOULD HAVE, I WOULD ASSUME,
14 MORE SCIENTIFIC KNOWLEDGE. PERHAPS THE NEW CHAIR
15 MIGHT HAVE FINANCIAL KNOWLEDGE, AND WE WOULD DRAW ON
16 THAT, OR MIGHT HAVE CONTACT WITH WASHINGTON OR
17 WHATEVER. BUT IF THERE WAS NO ONE THAT HAD THE
18 SKILLS THAT WE NEED, THEN IT WOULD BE DELEGATED TO
19 STAFF OR AN OUTSIDE CONSULTANT WOULD BE BROUGHT.

20 CHAIRMAN KLEIN: SO I UNDERSTAND, SHERRY.
21 I ACTUALLY WOULD BE IN STRONG AGREEMENT WITH YOUR
22 POSITION. SO I GUESS WHAT YOU'RE SAYING IS LET'S
23 SAY WHAT OUR PREFERENCES ARE AND THEN REEVALUATE
24 BASED UPON WHO'S NOMINATED.

25 CHAIRPERSON LANSING: YES. AND I WANT TO

BARRISTERS' REPORTING SERVICE

1 BE CAREFUL SAYING THIS. WHAT I DON'T WANT -- I WANT
2 EVERYBODY TO HAVE THEIR DEFINED AREAS OF
3 RESPONSIBILITY, BUT LIKE ANY GOOD MARRIAGE, PEOPLE
4 WORK TOGETHER TO HELP EACH OTHER OUT, BUT I THINK
5 ONE OF THE REASONS THAT WHEN WE TALKED ABOUT THE
6 ATTRIBUTES THAT SCIENCE WOULD SERVE WAS BECAUSE WE
7 KNOW THAT WE HAVE GREAT SCIENCE GOING AND WE HAVE A
8 GREAT PRESIDENT WITH SCIENTIFIC BACKGROUND. SO I
9 THINK THAT'S WHY IT WAS THIRD, NOT FIRST. YOU KNOW
10 WHAT I'M SAYING?

11 SO I THINK THAT THE MORE WE DEFINE THE
12 AREAS OF EXPERTISE, THE HEALTHIER THE PARTNERSHIP
13 WILL BE.

14 DR. POMEROY: SHERRY, THIS IS CLAIRE.

15 CHAIRPERSON LANSING: YES.

16 DR. POMEROY: SO OBVIOUSLY THERE WAS A
17 FUNDAMENTAL SPLIT IN THE PHILOSOPHY OF HOW THE BOARD
18 MEMBERS WHO RESPONDED THOUGHT THAT THINGS SHOULD
19 WORK. FROM MY PERSPECTIVE IT IS A MISTAKE TO RUN AN
20 ORGANIZATION ON THE BASIS OF WHO THE PEOPLE HAPPEN
21 TO BE THAT YOU HIRE. RATHER, THE GOALS OF THE BOARD
22 SHOULD BE TO DEFINE THE ORGANIZATION AND HOW IT
23 SHOULD RUN, AND THEN GO OUT AND FIND THE RIGHT
24 EMPLOYEES TO FIT WITHIN THOSE DEFINED PHILOSOPHIES
25 AND PARAMETERS.

BARRISTERS' REPORTING SERVICE

1 SO I BELIEVE THAT THE BOARD NEEDS TO TAKE
2 A LEADERSHIP ROLE AND NOT REACT TO WHO HAPPENS TO BE
3 AVAILABLE. FROM MY PERSPECTIVE, A HIGH FUNCTIONING
4 ORGANIZATION AT THIS POINT IN OUR EVOLUTION, WHICH
5 IS VERY DIFFERENT THAN WHERE WE WERE WHEN WE ALL
6 STARTED OUT, IS -- SHOULD BE AN ORGANIZATION
7 THAT -- WHERE THE BOARD FINDS THE VERY BEST PEOPLE
8 TO RUN THE ORGANIZATION, EMPOWERS THEM, AND SUPPORTS
9 THEM. AND SO THAT'S WHERE MY PHILOSOPHY COMES OUT.
10 AND WE MAY NOT COME TO CONSENSUS ON THIS, BUT THAT'S
11 MY OPINION.

12 CHAIRPERSON LANSING: THIS IS A VERY
13 HEALTHY DISCUSSION BECAUSE I DON'T DISAGREE WITH
14 THAT. BUT I GUESS MAYBE -- I GUESS MAYBE I DON'T
15 UNDERSTAND BECAUSE I DON'T DISAGREE WITH THAT. WE
16 SORT OF DECIDED WHAT WE THOUGHT THE ATTRIBUTIONS AND
17 SKILL SETS OF THE CHAIR SHOULD BE. AND THE WAY I'M
18 UNDERSTANDING THE CHOICES IS THAT THE CHAIR EITHER
19 DELEGATES WHATEVER OPERATIONAL RESPONSIBILITIES HE
20 HAS OR HE CAPITALIZES ON IT HIMSELF. WE ALREADY
21 DECIDED WHAT THEY SHOULD BE.

22 DR. POMEROY: RIGHT. AND I PERSONALLY
23 THINK THAT JUST BECAUSE SOMEONE HAS EXPERTISE
24 DOESN'T MEAN THAT THEY HAVE TO ACTUALLY BE DOING THE
25 OPERATIONAL DETAILS WITHIN THAT EXPERTISE. IT GIVES

BARRISTERS' REPORTING SERVICE

1 THEM THE INSIGHT OF HOW TO LEAD THE PEOPLE WHO ARE
2 ACTUALLY DOING IT. SO I FALL ON THE DELEGATION
3 SIDE.

4 CHAIRPERSON LANSING: OKAY. I SEE WHAT
5 YOU'RE SAYING.

6 CHAIRMAN KLEIN: OKAY. SO I THINK WE HAVE
7 TWO CHOICES. AND, SHERRY, YOUR PROPOSAL WAS TO POLL
8 US AND SEE WHERE WE ARE.

9 CHAIRPERSON LANSING: YES. BUT I DON'T
10 WANT TO CUT OFF THE DISCUSSION. I'D LIKE TO HEAR IF
11 THERE'S ANY MORE DISCUSSION.

12 MR. SHEEHY: I WAS JUST TAKING A MOMENT TO
13 GET MY THOUGHTS TOGETHER, SHERRY. JEFF SHEEHY. I
14 THINK THIS IS -- YOU KNOW, I THINK THAT THAT'S
15 SOMEWHERE IN BETWEEN WHAT YOU AND CLAIRE ARE
16 DESCRIBING THAT KIND OF CAPTURES. I DO THINK, NO.
17 1, WHAT'S CRITICAL IS CLARITY. RIGHT?

18 CHAIRPERSON LANSING: YES.

19 MR. SHEEHY: YOU KNOW, SO I THINK THAT'S
20 ABSOLUTELY ESSENTIAL. I DON'T KNOW -- IT JUST SEEMS
21 WE'RE HEADED DOWN A VERY BINARY PATH BECAUSE I DO
22 THINK, FOR INSTANCE, OF SENATOR TORRES WHO HAS TAKEN
23 REAL LEADERSHIP IN THE GOVERNMENTAL RELATIONS ROLE
24 STATUTORILY ASSIGNED TO THE CHAIR, RIGHT. I
25 DON'T -- THERE IS SOMETHING -- I MEAN IT'S JUST I DO

BARRISTERS' REPORTING SERVICE

1 THINK THAT TO A LARGE DEGREE, I MEAN, WE NEED TO
2 CLARIFY. I THINK THE BOARD, IN GENERAL, AN OFFICE
3 OF THE CHAIR SHOULD PERFORM AN OVERSIGHT FUNCTION,
4 BUT THERE MAY BE SOME AREAS, YOU KNOW. I MEAN IT
5 GETS HARD FOR ME BECAUSE IF YOU DO THIS STRICTLY,
6 THEN DOES THAT MEAN THAT SENATOR TORRES NO LONGER
7 PERFORMS THE GOVERNMENTAL RELATIONS ROLE? DO YOU
8 SEE WHAT I'M SAYING? TO SOME DEGREE IT IS KIND OF
9 DEPENDENT ON INDIVIDUALS WE BRING IN. BUT I DO
10 THINK THAT WE NEED TO CREATE A BETTER SENSE OF
11 CLARITY, YOU KNOW. AT LEAST GOING FORWARD FOR
12 WHOEVER WE HAVE COMING IN, THERE HAS TO BE A REAL
13 SENSE OF CLARITY OF WHAT THESE ROLES ARE.

14 DR. POMEROY: JEFF, COULD I RESPOND TO
15 THAT? THIS IS CLAIRE AGAIN. I THINK YOUR EXAMPLE
16 IS A GREAT ONE. AND I THINK THAT ART'S STYLE HAS
17 DONE EXACTLY WHAT I WOULD HOPE WOULD HAPPEN, WHICH
18 IS THAT HE IS THERE MAKING EVERY SITUATION AS GOOD
19 AS IT CAN BE FOR THE STAFF TO BE EFFECTIVE IN TERMS
20 OF GOVERNMENT RELATIONS AND OUTREACH. AND THAT IS
21 HE IS A PERSON WHO THEN SHOWS UP TO HELP WHEN IT'S
22 HELPFUL, BUT NOT TO INTERFERE. AND THAT'S THE
23 DISTINCTION THAT WE'RE TRYING TO MAKE.

24 CHAIRMAN KLEIN: WELL, WAIT JUST A SECOND
25 HERE. THIS IS WAY OUT OF BOUNDS.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: CAN I JUST FINISH.
2 THAT TO ME IS A PARTNERSHIP. SO I THINK WE'RE
3 FIGHTING SEMANTICS. BECAUSE TO NOT HAVE ART, I'M
4 USING YOU, ART, AS AN EXAMPLE, BUT TO NOT HAVE ART
5 BE ABLE TO, YOU KNOW, DO WHAT HE DOES WOULD BE TO ME
6 A TERRIBLE LOSS. AND SO, CLAIRE, I THINK ACTUALLY
7 WE'RE ALL SAYING THE SAME THING, BUT WE'RE USING
8 DIFFERENT LANGUAGE. I CALL THAT A PARTNERSHIP.

9 CHAIRMAN KLEIN: THIS IS BOB KLEIN. AND I
10 HAD TO LIVE THIS FOR SIX YEARS, AND I WOULD TELL YOU
11 THAT ART GETS MORE ACCOMPLISHED, YOU KNOW, IN HALF A
12 DAY IN SACRAMENTO THAN THE STAFF COULD GET
13 ACCOMPLISHED IN SACRAMENTO, YOU KNOW, THREE MONTHS.
14 I MEAN, OF COURSE, ART HAS STAFF SUPPORT IN THE
15 OFFICE OF THE CHAIR, BUT BELIEVE ME ART DOES A LOT
16 OF THINGS DIRECTLY AND WITH AN INFLUENCE THAT JUST
17 CAN'T BE DUPLICATED AT THE STAFF LEVEL. AND YOU
18 CERTAINLY ARE NOT GOING TO DELEGATE TO THE
19 SCIENTIFIC STAFF TO RUN LEGISLATION IN SACRAMENTO.
20 HE NEEDS ADMINISTRATIVE STAFF AND DEPUTIES THAT ARE
21 IN THE OFFICE OF THE CHAIR THAT HELP HIM, BUT HE
22 SPENDS A LOT OF TIME BEING EFFECTIVE. AND HE
23 FURTHER DELEGATES AND BRINGS DUANE INTO THE
24 FUNCTION, BUT BELIEVE ME IT IS CRITICAL WHAT ART
25 DOES PERSONALLY AND DIRECTLY IN EXECUTING HIS

BARRISTERS' REPORTING SERVICE

1 DUTIES.

2 DR. STEWARD: THIS IS OS. COULD I
3 ACTUALLY SAY SOMETHING IN A SENSE IS GOING TO BUILD
4 ON WHAT JEFF SAID. AND I THINK IT ACTUALLY IS,
5 AGAIN, THAT WE'RE ALL SAYING THINGS A LITTLE BIT
6 DIFFERENTLY, BUT I THINK I MIGHT HAVE A PRACTICAL
7 SOLUTION TO IT. SO, YOU KNOW, IF WE GO FORWARD AND
8 HAVE THIS SORT OF PREFERENCE, SO BASICALLY IT'S
9 GOING TO BE ONE WAY OR THE OTHER. AND THE PROBLEM
10 IS THAT WE ARE DOING IT IN ADVANCE OF KNOWING WHO'S
11 GOING TO BE HERE. AND I THINK PART OF THE STRENGTH
12 IS THAT BOB AND ART HAVE DONE THINGS THAT ARE BASED
13 ON THEIR VERY EXCEPTIONAL STRENGTH. NOW, THAT'S ON
14 ONE SIDE OF THINGS.

15 SO BASICALLY PEOPLE CAN DO MUCH BETTER IF
16 THEY BUILD ON THEIR OWN TALENTS. IF WE GO OUT IN
17 ADVANCE AND SAY IT'S GOING TO BE ALL THIS OR ALL
18 THAT, WE ACTUALLY MAY NOT BE ABLE TO FIND ANYBODY
19 THAT FITS THAT MOLD OR IS WILLING TO TAKE THAT ON.

20 ON THE OTHER HAND, CLAIRE IS ABSOLUTELY
21 RIGHT. CLARITY IS ESSENTIAL, AND JEFF SAID THIS
22 TOO, AND I TOTALLY AGREE. BUT CLARITY CAN BE
23 DEFINED AFTER THE FACT RATHER THAN BEFORE. IN OTHER
24 WORDS, WE CAN LEAVE THE DESCRIPTION A LITTLE BIT
25 OPEN AS FAR AS THE CHARACTERISTICS OF WHAT THE

BARRISTERS' REPORTING SERVICE

1 CHAIR'S RELATIONSHIP WITH EVERYTHING ELSE SHOULD BE.
2 TRY TO FIND THE VERY BEST PERSON TO FILL THE CHAIR
3 OR AT LEAST DO OUR PART TO IDENTIFY SOMEONE THAT
4 WOULD BE THEN RECOMMENDED BY THE ELECTED OFFICERS.

5 BUT THEN AT THE END OF THE DAY GO BACK AND
6 SAY, ALL RIGHT, THESE ARE NOW GOING TO BE THE
7 DEFINITIONS THAT DEFINE THE DIFFERENT ROLES. AND
8 THAT, OF COURSE, COULD BE DONE IN CONJUNCTION WITH
9 THE NEWLY ELECTED CHAIR. YOU KIND OF GET THE BEST
10 OF BOTH WORLDS THAT WAY.

11 CHAIRPERSON LANSING: DON'T YOU THINK
12 THEY'RE GOING TO ASK THAT QUESTION WHEN WE MEET WITH
13 PEOPLE?

14 DR. STEWARD: WELL, SURE. BUT I THINK
15 THAT THE ANSWER IS THAT AS A BOARD WE WILL IDENTIFY
16 THOSE ROLES, DEFINE THOSE ROLES BASED ON THE PERSON
17 WHO IS IN THAT POSITION.

18 CHAIRPERSON LANSING: SO LET ME ASK YOU
19 ANOTHER QUESTION. BECAUSE I ACTUALLY DON'T THINK
20 WE'RE ALL DISAGREEING. I THINK IT'S THE LANGUAGE
21 THAT'S MESSING US UP. LET ME ASK YOU A QUESTION.
22 I'M NOT GOOD AT WORDING, AND JAMES, STAFF, MAYBE
23 SOME OF YOU, BOB, YOU CAN HELP ME, CLAIRE, OS. WHAT
24 ABOUT SOMETHING THAT SAYS ALLOCATION OF
25 RESPONSIBILITIES AND RELATIONSHIP, THAT WE WILL

BARRISTERS' REPORTING SERVICE

1 CLEARLY DELINEATE THE RESPONSIBILITIES OF EACH OF
2 THE INDIVIDUALS TAKING INTO ACCOUNT THEIR RESPECTIVE
3 AREAS OF EXPERTISE AND, YOU KNOW, THAT THEY WILL ALL
4 WORK TOGETHER TO ACHIEVE THAT MISSION. SO I MEAN
5 I'M TRYING TO COMBINE THEM IN A FUNNY WAY.

6 DR. STEWARD: I THINK THAT YOU CAN DO
7 THAT, AND I THINK THAT SOME OF THE KEY FACTORS THAT
8 CAN BE PUT INTO THAT SENTENCE INCLUDE NONOVERLAPPING
9 RESPONSIBILITIES THAT ARE CLEARLY DEFINED.

10 CHAIRPERSON LANSING: YES. MAYBE WE -- WE
11 LITERALLY SPLIT DOWN THE MIDDLE ON THIS. AND WHEN
12 WE TALK IT THROUGH, I DON'T DISAGREE WITH ANYTHING
13 THAT ANYONE IS SAYING. AND I DON'T KNOW -- WE'RE
14 ALL SAYING ONE THING. WE WANT THERE TO BE CLARITY
15 IN THE ROLES AND WE DON'T WANT ANY OVERLAPPING AND
16 ANY CONFUSION. SO MAYBE, JAMES, YOU COULD TAKE SOME
17 TIME TO WORDSMITH THIS THAT STRESSES CLARITY, THAT
18 STRESSES NOT OVERLAPPING, AND THAT STRESSES BEING
19 MINDFUL OF THE INDIVIDUAL EXPERTISE NO MATTER WHO IT
20 IS. BECAUSE TEN YEARS FROM NOW, IF YOU GOT SOMEBODY
21 THAT CONTINUES TO HAVE THOSE WONDERFUL RELATIONSHIPS
22 WITH THE LEGISLATURE, WE WOULD WANT THAT PERSON TO
23 DO THAT. IF THEY HAD GREAT EXPERTISE LIKE IN
24 FINANCIAL AREAS, WE WOULD WANT THEIR HELP IN THAT
25 AREA.

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: SHERRY, THIS IS CLAIRE. YOU
2 KNOW, WE'RE ALL FOR COLLABORATION, WE'RE ALL FOR
3 CLARITY. I DON'T THINK THERE'S ANY CONTROVERSY
4 THERE. I THINK THE FUNDAMENTAL ISSUE THAT IS NOT
5 BEING SURFACED HERE IS DO WE WANT CO-CEO'S WITH A
6 DIVISION OF RESPONSIBILITY --

7 CHAIRPERSON LANSING: OH --

8 DR. POMEROY: -- OR DO WE WANT A CHAIR
9 THAT PROVIDES OVERSIGHT TO THE OPERATIONS? AND I'M
10 NOT SURE WE REALLY HAVE AS MUCH CONSENSUS ON THAT
11 PIECE OF IT.

12 CHAIRPERSON LANSING: WELL, OKAY. I DON'T
13 THINK WE WANT CO-CEO'S, BUT WE CAN DO A STRAW POLL
14 TO FIND THAT OUT. BUT AND I THINK WE WANT
15 OVERSIGHT, BUT WE ALSO WANT TO TAKE ADVANTAGE OF
16 EXPERTISE SHOULD SOMEONE HAVE SOME. WE DON'T WANT
17 TO CUT IT OFF, AS JEFF SAYS.

18 CHAIRMAN KLEIN: SO FUNDAMENTALLY DO YOU
19 WANT A CHAIR THAT IS CHARGED WITH MANAGING THE BOARD
20 AND OVERSIGHT AND WHO SERVES IN AN EXECUTIVE
21 FUNCTION IN THOSE DEFINED AREAS WHERE THERE ARE
22 SPECIAL TALENTS AS WELL AS HAVING A VICE CHAIR WHO
23 SERVES IN THOSE SPECIAL AREAS WHERE THEY HAVE
24 SIGNIFICANT TALENT.

25 CHAIRPERSON LANSING: I MEAN THAT'S WHAT I

BARRISTERS' REPORTING SERVICE

1 WAS TRYING TO GET LANGUAGE THAT SAYS THAT.

2 MR. ROTH: SO IT'S DUANE. I HAVEN'T SAID
3 ANYTHING. I'VE BEEN LISTENING. BUT IF I HAD TO
4 JUST SHORTHAND HOW WE THINK ABOUT IT, IN THE
5 BEGINNING OF THIS ORGANIZATION, WE HAD AN EXECUTIVE
6 CHAIRMAN AND WE HAD A CEO OR PRESIDENT. THE
7 QUESTION IS WHAT SHOULD WE HAVE IN THE NEXT
8 ITERATION OF THAT NOW THAT WE'RE A MUCH MORE MATURE
9 ORGANIZATION WITH A LOT OF OPERATING EXPERIENCE. A
10 LOT OF THE THINGS THE EXECUTIVE CHAIR, THE
11 PRESIDENT, AND THE BOARD WORKED ON HAVE NOW BEEN PUT
12 IN PLACE. AND I BELIEVE FROM MY STANDPOINT THAT I
13 WOULD LIKE TO SEE A CHAIRMAN OF THE BOARD AND A
14 PRESIDENT/CEO AS OPPOSED TO AN EXECUTIVE -- ANOTHER
15 EXECUTIVE CHAIRMAN AND PRESIDENT.

16 THAT'S NO REFLECTION ON ALL THE THINGS
17 THAT BOB DID. IT'S JUST THAT THERE IS NOBODY, AS
18 HIS MEMO INDICATED, THAT CAN POSSIBLY DO WHAT HE
19 DID. AND SO YOU MIGHT AS WELL SET THAT ASIDE. EVEN
20 IF THEY HAVE ALL THE SKILL SETS HE DOES, THEY WOULD
21 LACK THE EXPERIENCE.

22 THAT MEANS IN THE FUTURE, AS I'VE SAID
23 BEFORE, THE BOARD AND THE COMMITTEES HAVE TO DO
24 THEIR JOB, THAT WE CAN'T RELY ON BOB DOING IT FOR
25 THEM. AND THAT'S WHAT I WOULD SEE HERE IS WE WANT A

BARRISTERS' REPORTING SERVICE

1 TRUE CHAIRMAN OF THE BOARD WHO DOES IN A MUCH MORE
2 TRADITIONAL WAY MANAGE THE OVERSIGHT
3 RESPONSIBILITIES AS OPPOSED TO BEING AN EXECUTIVE
4 AND CHAIRMAN.

5 MY EXPERIENCE IN EXECUTIVE CHAIRS, AND
6 OTHERS CAN COMMENT, BUT I'VE BEEN THROUGH THIS, IS
7 THAT THEY WORK FOR A PERIOD OF TIME; BUT ONCE YOU
8 GET THINGS ESTABLISHED, THEY BECOME VERY DIFFICULT
9 TO PERFORM AFTER THAT.

10 CHAIRMAN KLEIN: SO, DUANE, THIS IS BOB.
11 AND I APPRECIATE YOUR GRACIOUS COMMENTS. THANK YOU.
12 BUT ONE OF THE FUNDAMENTAL ISSUES HERE IS THAT THE
13 BOARD MEMBERS ARE STRETCHED TO THE HILT BY THEIR
14 EXTRAORDINARY RESPONSIBILITIES THEY CARRY OUT
15 EVERY DAY. I'VE RECRUITED 41 OR 40 CHAIRS, VICE
16 CHAIRS, TASK FORCE LEADERS, AND IT'S A REAL
17 RECRUITMENT JOB BECAUSE THEY HAVE SUCH STRAIN. AND
18 I WORK WITH THEM WITH THEIR STAFF -- WITH THE
19 CHAIR'S STAFF OR ART WORKS WITH THEM WITH THE
20 CHAIR'S STAFF. AND THERE ARE AREAS, DUANE, YOU
21 KNOW, IN LEGISLATION WHERE YOU'VE CLEARLY TAKEN A
22 VERY STRONG LEAD LIKE ON THE BIOSIMILARS. SO
23 WHENEVER IT'S POSSIBLE TO DELEGATE STRONGLY, LIKE
24 THE BIOSIMILARS LEGISLATION, THAT IS GREAT.

25 BUT THERE'S SO MANY AREAS WHERE WE NEED

BARRISTERS' REPORTING SERVICE

1 THE EXPERTISE OF BOARD MEMBERS, BUT THEY CAN
2 PROVIDE -- THEY CAN SERVE AS CHAIRS OR TASK FORCE
3 LEADERS, BUT THEY WANT SOMEONE TO HELP THEM DRIVE
4 THROUGH THE PROBLEM, ORGANIZE THE STAFF SUPPORT, AND
5 HELP THEM AS THEY'RE TRYING TO CONTRIBUTE TO THE
6 BOARD. AND THEIR TIME IS VERY, VERY LIMITED. I
7 MEAN, DUANE, JAMES CAN TELL YOU, MELISSA CAN TELL
8 YOU HOW MANY TIMES I TRIED TO WORK WITH INDIVIDUAL
9 BOARD MEMBERS WHO WANTED TO CONTRIBUTE, BUT THEIR
10 TIME WAS SO SEVERELY LIMITED, WHICH PLACES THE CHAIR
11 AND THE VICE CHAIR IN A POSITION OF HAVING TO TAKE
12 MORE RESPONSIBILITY AND LEADERSHIP ON IMPLEMENTATION
13 THAT THEY THEY'D LOVE TO DELEGATE, BUT GIVEN THE
14 RESOURCE EXPERTISE THAT WE'VE GOT WITH THE BOARD, WE
15 ALSO GOT A CONFINED CAPACITY IN TIME.

16 CHAIRPERSON LANSING: CAN I ASK ART FOR
17 HIS OPINION? I HEARD DUANE'S. I'D LIKE TO HEAR THE
18 OTHER VICE CHAIR.

19 MR. TORRES: WELL, MY FEELING IS THE
20 FOLLOWING. I THINK THAT, FIRST OF ALL, THANK YOU
21 ALL FOR YOUR SUPPORT. IT'S VERY HUMBLING. BUT I DO
22 FEEL THAT MANY TIMES IT IS IMPOSSIBLE TO DELEGATE
23 RESPONSIBILITY, AS BOB HAS INDICATED, SIMPLY BECAUSE
24 THERE ISN'T TIME FOR MANY BOARD MEMBERS TO
25 PARTICIPATE TO THE FULL EXTENT THAT THEY WOULD

BARRISTERS' REPORTING SERVICE

1 PREFER.

2 SECONDLY, I THINK IT'S IMPORTANT TO, FROM
3 MY PERSPECTIVE, I THINK IT'S IMPORTANT, AND I ALIGN
4 MYSELF WITH CLAIRE ON THIS, THAT YOU REALLY HAVE TO
5 SET OUT THE STANDARDS BY WHICH YOU WANT A CHAIR TO
6 PERFORM AND THEN FIND THE PERSON THAT MOST APTLY
7 FITS THOSE STANDARDS. BUT ON THE OTHER HAND, WE
8 KNOW THE STATUTORY VICE CHAIR'S RESPONSIBILITIES ARE
9 VERY CLEARLY OUTLINED IN THE PROVISIONS OF THE
10 INITIATIVE, NO. 1. NO. 2, IT IS VERY DIFFICULT IN
11 MY ROLE TO DELEGATE THE RESPONSIBILITY TO HAVE A
12 CONVERSATION WITH THE TREASURER OR THE CONTROLLER OR
13 THE GOVERNOR OR THE LIEUTENANT GOVERNOR OR THE
14 LEADERSHIP OR MEMBERS OF LEGISLATURE. PEOPLE JUST
15 DON'T HAVE ON STAFF THOSE KIND OF RESPONSIBILITIES
16 OR THOSE KIND OF RELATIONSHIPS.

17 AND I THINK THAT AS WE MOVE FORWARD IT'S
18 IMPORTANT TO CONTINUE TO DELINEATE THE ROLES, BUT I
19 ALSO THINK IT'S SO IMPORTANT TO LAY OUT THE
20 CRITERIA, AND THEN LET THE CANDIDATES THAT WE LOOK
21 AT AND REVIEW MEET THAT CRITERIA.

22 MR. SERRANO-SEWELL: SHERRY, THIS IS DAVID
23 SERRANO-SEWELL SPEAKING. I DID PREFER YOUR INITIAL
24 SORT OF TAKE ON, YOU KNOW, PEOPLE HAVING DIFFERENT
25 WORDS THEY WERE USING TO DESCRIBE HOW THEY FEEL.

BARRISTERS' REPORTING SERVICE

1 I'M NOT SURE THAT'S THE GREATEST WAY TO PROCEED
2 BECAUSE IT'S SUCH A CHALLENGING SITUATION THAT WE
3 FIND OURSELVES IN. AND I APPRECIATE THE SENTIMENT
4 OF MY COLLEAGUES WHO DO WANT CRYSTAL CLARITY AND A
5 DEFINITION OF THE ROLES RIGHT NOW, PUT THAT OUT IN
6 THE PUBLIC, AND THEN FIND A CANDIDATE OR SEE IF
7 PEOPLE ARE INTERESTED BASED ON WHAT WE'VE ANNOUNCED.

8 NOW, IF THAT'S THEN THE QUESTION, THEN
9 I'M -- I HAVE TO SIDE ON, YOU KNOW, I WANT, AND IT
10 WON'T BE UP TO ME ULTIMATELY, WE'LL SEE WHOEVER IS
11 NOMINATED, BUT I WOULD PREFER A CHAIR, AND IF YOU
12 WANT TO CALL IT A CEO EXECUTIVE CHAIR, THEN CALL IT
13 THAT, I'M NOT SURE I WOULD CALL IT THAT, BUT WHERE I
14 STAND RIGHT NOW, GIVEN THE SET OF CHALLENGES THAT
15 THE AGENCY IS FACING, THE SENSITIVITY THAT REALLY
16 ONLY RESIDES IN A CITIZEN COMMISSIONER THAT DON'T
17 RESIDE IN STAFF, SENSITIVITIES WITH REGARD TO THE
18 PUBLIC PERCEPTION, SENSITIVITIES WITH REGARD TO
19 PUBLIC RECORDS ACT AND THOSE SORTS OF THINGS, IT'S
20 REALLY INCUMBENT ON NOT ONLY STAFF, BUT REALLY THE
21 CHAIR AND THE VICE CHAIR TO UNDERSTAND HOW DELICATE
22 THOSE SITUATIONS CAN BE AT TIMES ON MANY OCCASIONS.

23 AND I WOULD PREFER TO HAVE A HANDS-ON
24 OFFICE OF THE CHAIR, SOMEONE THAT I FEEL IS MORE
25 DIRECTLY ACCOUNTABLE TO ME AS AN INDIVIDUAL

BARRISTERS' REPORTING SERVICE

1 COMMISSIONER VERSUS STAFF BECAUSE STAFF DOES NOT
2 REPORT TO THE COMMISSION. STAFF REPORTS TO THE
3 PRESIDENT, AND THE PRESIDENT REPORTS TO THE
4 COMMISSION. SO WHAT I'M TRYING TO SAY IS I WANT
5 SOMEONE WHO'S MORE HANDS-ON. I WANT SOMEONE WHO'S
6 DOING MORE THAN 50 PERCENT OF THE TIME BECAUSE, YES,
7 WE'RE NOT AT THE CONCEPTION OF THE AGENCY, AND I,
8 LIKE MANY OF US HERE AND MANY OF US WHO ARE HERE,
9 BUT HAVE NOT, I'VE BEEN AT THE BEGINNING AS WELL,
10 LIKE YOU, SHERRY, AS WELL. THE CHALLENGES WE FACE
11 NOW ARE DIFFERENT THAN THE ONES WE FACED SIX YEARS
12 AGO, BUT THEY'RE EQUALLY AS INTENSE, THEY'RE EQUALLY
13 AS COMPLICATED, AND THEY WILL TAKE AN EQUAL AMOUNT
14 OF, I THINK, HARD WORK AND DILIGENCE FROM THE OFFICE
15 OF THE CHAIR AND THE VICE CHAIR.

16 AND I WOULD LIKE TO SEE SOMEONE WHO
17 REPLACES BOB -- OKAY, I KNOW I'M NOT GOING TO GET
18 THE REPLACEMENT OF BOB. LIKE, I GET THAT. BUT I DO
19 WANT US TO BE COGNIZANT OF, YOU KNOW, A LOT OF THIS
20 STUFF YOU CAN'T DELEGATE. AND I'M NOT SURE I WANT
21 THE OFFICE TO DELEGATE IT. THAT'S ME SPEAKING
22 HONESTLY.

23 CHAIRMAN KLEIN: DAVID, THIS IS BOB. I'M
24 HOPING THAT YOU GET SOMEONE BETTER THAN ME, AND I
25 WOULD SAY THAT IN FINANCE, GIVEN WHAT THE STATE IS

BARRISTERS' REPORTING SERVICE

1 GOING THROUGH IN THE NEXT COUPLE OF YEARS, BETTER BE
2 VERY INNOVATIVE. IN TERMS OF CRITICAL TRIALS AND
3 THE OTHER NEW CHALLENGES WE'RE FACING, IT IS AN
4 EXTRAORDINARY TIME. THE PUBLIC COMMUNICATION TASK,
5 YOU KNOW, WORKING WITH ART ON PUBLIC COMMUNICATION
6 IS GOING TO BE REALLY IMPORTANT FOR THE CHAIR
7 BECAUSE WE HAVE A BIG PUBLIC COMMUNICATIONS JOB WE
8 HAVEN'T BEEN MEETING IN SPADES. SO I THINK THAT, AS
9 DAVID SAID, THE CHALLENGES WE HAVE NOW ARE
10 DIFFERENT, BUT THEY'RE GOING TO BE EXTREMELY
11 SIGNIFICANT. AND WITH THE MOVE INTO TRANSLATIONAL
12 MEDICINE AND CLINICAL TRIALS, OUR PROFILE IS GOING
13 TO INCREASE ABOVE WHAT IT WAS BEFORE.

14 CHAIRPERSON LANSING: SO I'M SENSING THAT
15 YOU WOULD LIKE -- THE GROUP WOULD LIKE A STRAW POLL
16 VOTE ON THESE TWO DIFFERENT THINGS. AND DO I HAVE A
17 MOTION TO DO THAT?

18 CHAIRMAN KLEIN: I'LL MAKE A MOTION FOR A
19 STRAW POLL.

20 CHAIRPERSON LANSING: AND DO I HAVE A
21 SECOND? NO SECOND TO THE MOTION?

22 MR. SHEEHY: I'M NOT SURE -- I MEAN IT'S
23 ALMOST LIKE THERE'S A COUPLE OF QUESTIONS FLOATING
24 AROUND HERE.

25 DR. POMEROY: IT MIGHT BE MORE USEFUL --

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: THEN CAN I HAVE A
2 SECOND SO I CAN CONTINUE --

3 CHAIRMAN KLEIN: THIS IS A PREFERENCE
4 POLL, NOT A DEFINITIVE POLL. AT LEAST IN TERMS OF
5 THE MOTION I'M MAKING, IT'S FOR A GENERAL
6 PREFERENCE, NOT EXCLUSION OF EITHER OPTION.

7 MR. SHEEHY: WELL, I GUESS THIS IS WHY I'M
8 CONFUSED. THERE'S ONE ISSUE ON THE TABLE OF WHETHER
9 WE HAVE REALLY AN EXECUTIVE CHAIR VERSUS A CHAIR
10 THAT IS -- IS AN OVERSIGHT CHAIR. WE HAVE
11 UNDERNEATH THAT THE STATUTORY LAYER, RIGHT, WHICH
12 CLEARLY DEFINES THE PRESIDENT AS THE CEO, NOT THE
13 CHAIR. RIGHT. AND BUT AT THE SAME TIME DOES SET
14 OUT REQUIREMENTS FOR THE CHAIR THAT INCLUDE -- AN
15 OPERATIONAL ROLE FOR THE CHAIR. AND I THINK IN A
16 WAY I MEAN IT'S ALMOST LIKE WE'RE AT THE VERY EDGE
17 OF A MUCH A LARGER CONVERSATION. I THINK THE
18 INITIAL QUESTION IS DO WE WANT A CEO CHAIR. AND THE
19 OTHER QUESTION IS, OF THOSE RESPONSIBILITIES, WHICH
20 WE KIND OF GLIDED OVER IN OUR DISCUSSION OF
21 ATTRIBUTES, OF THOSE RESPONSIBILITIES, RIGHT, THAT
22 ARE DELEGATED IN PROP 71, HOW MANY OF THEM DO WE
23 EXPECT TO BE FILLED BY THE NEXT CHAIR?

24 WE HAVE HAD A CHAIR WHO'S DONE A
25 PHENOMENAL JOB OF CONTROLLING ALL OF THOSE

BARRISTERS' REPORTING SERVICE

1 RESPONSIBILITIES. RIGHT. BUT IS THAT OR
2 EXPECTATION FOR THE NEXT CHAIR? IS THAT WHAT WE
3 WANT THE CONSTITUTIONAL OFFICERS TO POTENTIALLY
4 APPOINT?

5 YOU KNOW, WE'VE BEEN TALKING IN VERY BROAD
6 GENERALITIES ABOUT REALLY GETTING TO THE SPECIFICS
7 AND TRYING TO SAY, YOU KNOW, WE DO HAVE THIS ONE
8 CIRCUMSTANCE WHERE, FOR INSTANCE, GOVERNMENTAL
9 RELATIONS ARE CLEARLY PLACED IN THE OFFICE OF THE
10 CHAIR. WE HAVE THE VICE CHAIR WHO DOES A PHENOMENAL
11 JOB. THAT MAY BE PART OF WHAT HAPPENS WHEN NAMES
12 COME FORWARD, BUT DO WE -- YOU KNOW, AND AGAIN, I
13 APPRECIATE THE CHAIR'S COMMENTS THAT HE HOPES WE GET
14 SOMEBODY BETTER. YOU KNOW, I HAVE A GREAT DEAL OF
15 APPRECIATION FOR THE ROLE THE CHAIR HAS PLAYED. AND
16 I PERSONALLY DON'T KNOW IF THAT'S REPLICATABLE. I
17 JUST THINK WE HAVE BEEN BLESSED AS AN AGENCY AND AS
18 INDIVIDUALS TO HAVE BEEN ABLE TO WORK WITH SOMEONE
19 LIKE THE CHAIR. AND I DON'T ANTICIPATE THAT THAT
20 SAME SKILL SET, THAT SAME, YOU KNOW, WITH ALL THOSE
21 QUALITIES IT'S GOING TO BE --

22 CHAIRPERSON LANSING: -- GO BACK TO WHAT
23 BOB SAID IN THE BEGINNING. BUT IT WASN'T THE
24 (INAUDIBLE) AND I THINK OS SAID IT ALSO. IT GOES
25 AGAINST WHAT -- CLAIRE SAID. CLAIRE SAID DEFINE THE

BARRISTERS' REPORTING SERVICE

1 JOB AND THEN FIND THE PERSON THAT MEETS THOSE
2 DEFINITIONS. WHAT SOME MEMBERS OF OUR GROUP ARE
3 SAYING IS, LOOK, WE DON'T HAVE AN UNLIMITED POOL.
4 UNTIL WE KNOW WHO'S THE BEST OF ALL OF OUR
5 CANDIDATES, NOT LIKE WE HAVE 5,000 APPLICANTS, UNTIL
6 WE KNOW WHO'S THE BEST OF ALL OF OUR CANDIDATES, WE
7 CAN'T REALLY ANSWER THAT QUESTION BECAUSE UNTIL WE
8 KNOW WHO'S THE BEST OF OUR CANDIDATES, WE DON'T KNOW
9 WHAT WOULD BE THE BEST USE OF HIS OR HER SKILL SET.

10 BUT I'M JUST TRYING TO GET A SENSE OF --
11 AND THEN I WAS COMING UP WITH A THIRD THING. LET'S
12 DECIDE THAT DEFINITELY THE RESPONSIBILITIES HAVE TO
13 BE CLEAR, DEFINITELY WE WANT TO TAKE ADVANTAGE OF
14 THE INDIVIDUALS', THREE PEOPLE'S EXPERTISE, AND WE
15 CAN TAKE A VOTE ON WHETHER WE WANT A CEO OR A CHAIR
16 IF THAT MAKES THE ROLES EVEN CLEARER.

17 DR. TROUNSON: SHERRY, IT'S ALAN TROUNSON.
18 I WONDER CAN I MAKE A COMMENT? OR IS THAT
19 INAPPROPRIATE?

20 CHAIRPERSON LANSING: NO, IT'S
21 APPROPRIATE.

22 DR. TROUNSON: WELL, I'VE BEEN LISTENING
23 TO THE DEBATE, AND I THINK IT'S AN IMPORTANT ONE TO
24 HAVE BECAUSE IT'S IMPORTANT TO DECIDE WHERE YOU'RE
25 GOING TO COME DOWN ON THIS ISSUE. AND I THINK JEFF

BARRISTERS' REPORTING SERVICE

1 SAID SOME FAIRLY IMPORTANT THINGS JUST A LITTLE
2 MOMENT AGO. BUT IT'S ALSO -- WE SPENT A LOT OF
3 EFFORT, YOU KNOW, ON THE PROFESSIONAL SIDE OF
4 MANAGEMENT TO GET THE SKILL SET THAT'S
5 EXTRAORDINARY. WE JUST APPOINTED ELLEN FEIGAL. I
6 MEAN SHE'S IN THE AREA OF THE CLINICAL TRIALS WORK.
7 SHE IS PHENOMENAL. YOU WOULD FIND DIFFICULTY IN
8 FINDING SOMEONE AS GOOD AS HER. AND THAT'S ON THE
9 STAFF SIDE.

10 AND WE BROUGHT IN ELONA BAUM OUT OF
11 GENENTECH AND SHE HAS A LEGAL SKILL SET THAT'S
12 EXTRAORDINARY. SO, YOU KNOW, IN THE RESTRUCTURE OF
13 THE ORGANIZATION, WE OUGHT TO FIND A TOP FINANCIAL
14 OFFICER. AND WE NEED TO DO THAT. SO THE ISSUE IS
15 THAT YOU HAVE TO RECOGNIZE THAT, YOU KNOW, WE ARE AS
16 YOU WOULD EXPECT PUTTING TOGETHER A SKILL SET THAT
17 OUGHT TO BE ABLE TO MANAGE YOUR PARTICULAR NEEDS.

18 NOW, IT GOES WITHOUT SAYING THAT WE DON'T
19 HAVE ANYBODY WHO HAS HAD THE EXPERIENCE OF 12 TO 20
20 YEARS OF POLITICS, AND WHY WE WOULD BE GOING LOOKING
21 FOR SOMEONE LIKE THAT WHEN WE HAVE A DEPUTY CHAIR.
22 SO WHY WOULDN'T YOU UTILIZE THAT PARTICULAR ASPECT?
23 AND THEN WHY WOULDN'T THE PRESIDENT SEEK TO DRAW ON
24 EXPERTISE THAT'S RESIDENT IN THE BOARD WHEREVER IT
25 IS? AND I HOPE I'M DOING THAT AS MUCH AS I CAN TO

BARRISTERS' REPORTING SERVICE

1 ASSIST US IN DELIVERING WHAT WE WANT.

2 SO I THINK IT IS A VERY IMPORTANT QUESTION
3 YOU'RE ASKING. IF YOU'RE SAYING YOU REALLY NEED AN
4 EXECUTIVE CHAIR WHO'S GOING TO TAKE, YOU KNOW, A
5 VERY MAJOR SET OF RESPONSIBILITIES, THEN THERE IS
6 GOING TO BE A DIFFICULTY ASSOCIATED WITH THE
7 INTERACTION BETWEEN THE ORGANIZATION, THE CHAIRS AND
8 THE MANAGEMENT, BECAUSE THERE'S A VERY SUBSTANTIAL
9 SKILL SET BUILT IN THERE. SO I THINK IT'S AN
10 IMPORTANT -- IT'S AN IMPORTANT QUESTION YOU NEED TO
11 THINK ABOUT, THAT WE ARE -- WE'VE GOT A TREMENDOUS
12 PROFESSIONAL GROUP THAT'S REALLY DOING ITS VERY BEST
13 TO MATCH THE BOARD'S EXPECTATIONS. AND I THINK YOU
14 NEED TO THINK VERY CAREFULLY ABOUT HOW YOU ARE GOING
15 TO COMPOSE THIS NEW POSITION BECAUSE IT IS
16 FUNDAMENTAL ABOUT HOW WE CAN DELIVER WHAT WE'RE
17 GOING TO DO GOING FORWARD.

18 CHAIRMAN KLEIN: SO, ALAN, THIS IS BOB.
19 WE JUST WENT THROUGH A PROCESS WHERE DRAWING A LINE
20 AND WE'RE GOING TO COME FORWARD TO THE BOARD WITH
21 SOME DOCUMENTS THAT ARE WRITTEN THAT YOU AND I'VE
22 AGREED ON, THE DEFINITION OF RESPONSIBILITIES. AND
23 AT LEAST THAT'S A STARTING POINT FOR THE BOARD TO
24 LOOK AT, AND YOU'VE ALREADY DISCUSSED IT WITH THE
25 BOARD, WITH PROVIDING CLARITY TO THE NEW POSITION.

BARRISTERS' REPORTING SERVICE

1 AND I DON'T THINK THE BOARD SHOULD BE LOOKING FOR
2 SOMEONE THAT HAS BROADER AUTHORITY THAN IS OUTLINED
3 IN THOSE DOCUMENTS BECAUSE IT TOOK A LONG TIME TO
4 RECOGNIZE WHERE A GOOD BALANCE WAS AND WHERE THE
5 CURRENT TALENTS ARE.

6 BUT CERTAINLY IF YOU COULD -- YOU KNOW, IF
7 YOU CAN FIND A CHAIR THAT HAS SOME REALLY GREAT
8 FINANCIAL CAPACITY, IT'S GOING TO BE DIFFICULT TO
9 HIRE A CFO WHO CAN DEAL WITH THINGS LIKE BOND
10 PRIVATE PLACEMENTS AND OTHER ISSUES AND CHALLENGES
11 AT THAT LEVEL. SO YOU ARE GOING TO HAVE, I THINK,
12 KIND OF -- YOU MAY HAVE, BECAUSE A REPEAT OF THE
13 SOME OF THE CHALLENGES THAT HAVE BEEN IN PAST
14 PERIODS, SOMETHING SIMILAR TO THE BALANCE THAT IS
15 JUST NOW BEEN CLEARLY DEFINED THAT HOPEFULLY
16 EVERYONE HAS GONE THROUGH A FULL THOUGHTFUL PROCESS
17 OF REACHING.

18 MR. ROTH: BOB, I'M NOT SURE I UNDERSTOOD
19 WHAT YOU JUST SAID.

20 CHAIRMAN KLEIN: WHAT I JUST SAID IS THAT
21 ALAN AND I --

22 MR. ROTH: NO. NO. THAT I UNDERSTAND.
23 THIS LAST PART ABOUT THAT IT'S NOT POSSIBLE TO HIRE
24 STAFF THAT CAN EVER BE AS, WHAT?

25 CHAIRMAN KLEIN: YOU KNOW, SAYING NEVER IS

BARRISTERS' REPORTING SERVICE

1 A REAL PROBLEM.

2 MR. ROTH: NO. I'M BEING IN GENERAL. I
3 MEAN THAT SOUNDS UNUSUAL TO ME THAT EXPERTISE IN ANY
4 AREA CAN'T BE PART OF A MANAGEMENT TEAM. THAT WOULD
5 SAY THE PEOPLE RUNNING COMPANIES ARE NOT AS GIFTED
6 AS THEIR BOARDS.

7 CHAIRMAN KLEIN: WELL, THERE ARE REASONS
8 THAT YOU HAVE EXECUTIVE CHAIRS. AND IF YOU --

9 MR. ROTH: THAT'S WHAT I WAS TRYING TO
10 SAY. THAT'S A PRETTY RARE BIRD, AN EXECUTIVE CHAIR.

11 CHAIRMAN KLEIN: OKAY. THAT IS AN
12 INDIVIDUAL PERSPECTIVE THAT YOU HAVE THAT I RESPECT.

13 MR. ROTH: NO. IT'S JUST TRUE. THERE
14 AREN'T MANY EXECUTIVE CHAIRMEN.

15 CHAIRMAN KLEIN: WELL, THAT'S NOT MY
16 PERSPECTIVE.

17 MR. ROTH: NAME ME THREE.

18 CHAIRMAN KLEIN: IN THE INNOVATIVE AREAS
19 WHERE YOU HAVE DYNAMIC CHANGE, THERE'S A LOT HIGHER
20 PERCENTAGE OF EXECUTIVE CHAIRS. BUT THAT ASIDE, I
21 THINK EVERYONE HAS INDIVIDUAL OPINIONS HERE AND LOTS
22 OF EXPERIENCE AND LOTS OF EXPERTISE. AND WE DO HAVE
23 LEGITIMATE DIFFERENCES, BUT THE BOARD JUST WORKED
24 THROUGH A WHOLE SET OF DEFINITIONS FOR CLARITY. AND
25 UNTIL WE FIND OUT WHO THOSE CANDIDATES ARE, WE WON'T

BARRISTERS' REPORTING SERVICE

1 KNOW HOW GOOD THE FIT IS, BUT WE NEED TO BE VERY
2 RESPECTFUL OF THE TALENTS THAT DO EXIST IN THE
3 ORGANIZATION.

4 AND TO THE EXTENT THAT WE HAVE A CHOICE
5 WHERE WE CAN COMPLEMENT THOSE TALENTS AND COMPLETE
6 THE ORGANIZATION, THAT'S GREAT. WE HAVE A LIMITED
7 BUDGET. WE HAVE A LIMITED STAFF SIZE. AND WE'LL
8 WORK THE BEST WE CAN WITHIN IT. IT'S GOING TO BE
9 YOUR DECISION, NOT MINE, OF WHO THE NEXT CHAIR IS.
10 I CAN GIVE YOU HISTORY AND PERSPECTIVE, BUT YOU ARE
11 GOING TO MAKE THE ULTIMATE DECISION. AND I'M ONE
12 VOTE.

13 MR. ROTH: THAT WASN'T INTENDED TO BE A
14 CRITICISM. JUST I FIND THE STRUCTURE HIGHLY
15 UNUSUAL. AND OUR EXTERNAL REVIEWS HAVE BROUGHT THIS
16 ISSUE UP PREVIOUSLY. I WOULD LIKE TO FIND A WAY
17 FORWARD WHERE THERE CAN BE EVERYBODY PULLING ON THE
18 ROPE IN THE SAME DIRECTION AND WE RESOLVE SOME OF
19 THE CONFLICTS WE'VE HAD PREVIOUSLY. AND I BELIEVE
20 THAT THAT'S BEST DONE WHEN THE BOARD HAS THE
21 RESPONSIBILITY FOR OVERSIGHT, AND MANAGEMENT IS HELD
22 TO HAVE THE EXPERTISE NECESSARY TO RUN THE
23 ORGANIZATION. THAT'S MY OWN PERSONAL FEELING, AND
24 IT'S NOT SOMETHING I NEED A RESPONSE TO, BUT THAT'S
25 WHERE I COME DOWN ON IT.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: SO I DON'T KNOW THAT
2 WE'RE GOING TO GET A SENSE OF THIS. I THINK WE'RE
3 GOING TO END UP WITH THE SAME THAT WE HAD INITIALLY.
4 AND I'M REALLY TRYING TO FIGURE OUT -- JAMES, DO YOU
5 HAVE ANY SUGGESTIONS AS TO HOW TO HANDLE THIS?

6 MR. HARRISON: NO, SHERRY. I MEAN YOU
7 OFFERED ONE ARTICULATION, I THINK, OF WHAT YOU
8 PERCEIVED AS THE MIDDLE GROUND, WHICH I CAN REREAD.
9 BUT I DON'T KNOW WHETHER THAT HAS SUPPORT FROM ALL
10 CORNERS.

11 MR. TORRES: (UNINTELLIGIBLE) AGREED IN
12 THE LEGISLATURE IS I THINK WE'RE REACHING KIND OF AN
13 IMPASSE IS TO PUT IT OFF TO THE NEXT MEETING.

14 CHAIRPERSON LANSING: WELL, YOU KNOW, I
15 FEEL THAT WE'RE SO CLOSE ON CONSENSUS IN SO MANY
16 WAYS, THAT WHAT I WOULD LIKE TO SUGGEST, ART, IS A
17 VARIATION ON THAT.

18 MR. TORRES: OKAY.

19 CHAIRPERSON LANSING: I'D LIKE JAMES TO
20 TRY AND CRAFT SOME LANGUAGE THAT PERHAPS WOULD TAKE
21 INTO ACCOUNT CLARITY, DEFINITION OF ROLES, AND ALSO
22 TAKING ADVANTAGE OF EXPERTISE, AND BOARD OVERSIGHT.
23 AND I'D LIKE TO FIND SOME WAY THAT WE DON'T SHUT
24 OUT -- I'LL USE YOU AGAIN, ART. IT'S TECHNICALLY IN
25 THE STATUTE THAT YOU'RE SUPPOSED TO DO CERTAIN

BARRISTERS' REPORTING SERVICE

1 THINGS THAT YOU'RE STILL DOING BECAUSE YOU'RE SO
2 GOOD. OR IF BOB KLEIN, I THINK, THIS WAS IN THE
3 STATUTE, BUT I'M JUST SAYING WASN'T SUPPOSED TO WORK
4 BONDS. THAT WOULD BE A TERRIBLE LOSS AMONG MANY
5 OTHER THINGS. I'D LIKE TO TAKE ANOTHER CRACK AT
6 THIS.

7 MR. HARRISON: SHERRY, I'M HAPPY TO
8 READ --

9 CHAIRPERSON LANSING: OTHERWISE CALL FOR A
10 STRAW POLL VOTE, BUT I DON'T THINK A LOT OF US ARE
11 READY TO VOTE. AND TO HAVE SOMETHING PASS BY ONE
12 VOTE OR BE TIED IT SEEMS TO ME A BIG MISTAKE.

13 CHAIRMAN KLEIN: SHERRY'S POINT, IT
14 IS -- IF WE CAN GET SOME KIND OF INDICATION, IT'S
15 VALUABLE BECAUSE IF THERE'S NOT AN EXECUTIVE CHAIR
16 AND VICE -- AN EXECUTIVE VICE CHAIR, WE DON'T PAY
17 THE VICE CHAIR, WE DON'T PAY THE CHAIR, YOU KNOW,
18 THAT'S ONE THING. IF THAT'S WHAT WE THINK WE CAN
19 ACTUALLY ACCOMPLISH. BUT IN KNOWING WHETHER WE'RE
20 GOING TO HAVE THESE PEOPLE PROVIDE VALUE-ADDED
21 PERFORMANCE THAT'S IMPORTANT TO THE COMMISSION AND
22 WE'RE GOING TO PAY THEM IS IMPORTANT.

23 WHAT WE PAY ART, I THINK, IS A BARGAIN IN
24 WHAT WE GET FOR THE MISSION.

25 MR. ROTH: CAN I COMMENT ON THAT? I WANT

BARRISTERS' REPORTING SERVICE

1 TO JUST HAVE EVERYBODY RECOLLECT HOW WE ENDED UP.
2 ART IS A UNIQUE SITUATION BECAUSE WHEN ART CAME ON
3 AS VICE CHAIR, HE WAS PAID A SMALLER AMOUNT. WHEN
4 WE DECIDED THAT WE NEEDED TO REPLACE OR WE HAD A
5 VACANCY IN OUR INTERNAL GOVERNMENT RELATIONS
6 POSITION, WE DECIDED THAT SINCE WE ALREADY HAD AN
7 EXPERT, THAT WHY IN THIS WORLD WOULD WE HIRE
8 SOMEBODY ELSE WHEN WE CAN, IN FACT, HAVE ART PERFORM
9 THAT DUTY? SO THAT'S A UNIQUE SITUATION. I
10 WOULDN'T WANT TO BUILD THE FUTURE ON THE FACT THAT
11 YOU ARE GOING TO FIND THAT EACH AND EVERY TIME.
12 WE'RE FORTUNATE THIS TIME. BUT THAT DOESN'T MEAN
13 THAT IF ART DECIDED TO DO SOMETHING ELSE NEXT MONTH,
14 THAT WE'D AUTOMATICALLY GO OUT AND SAY, WELL, WE
15 MUST FIND A VICE CHAIR WHO'S A DUPLICATE OF ART OR
16 MIGHT WE CONSIDER CAN WE FIND SOMEBODY INTERNALLY
17 THAT HAS A SET OF EXPERIENCES LIKE WE DID PREVIOUSLY
18 THAT COULD DEAL WITH LEGISLATIVE ISSUES BECAUSE
19 THAT'S THEIR MISSION. THERE IS TWO OPTIONS TO DO
20 THAT, AND I DON'T THINK WE SHOULD --

21 CHAIRMAN KLEIN: DUANE, I DEALT WITH
22 LEGISLATION TO CREATE THE CALIFORNIA HOUSING FINANCE
23 AGENCY.

24 MR. ROTH: I KNOW, BOB.

25 CHAIRMAN KLEIN: SO THE ISSUE IS I DON'T

BARRISTERS' REPORTING SERVICE

1 BELIEVE IT. YOU'RE NOT GOING TO GET YOUR
2 EFFECTIVENESS BY HAVING A STAFFER.

3 MR. ROTH: OKAY. THAT'S BACK TO THE
4 ORIGINAL CONVERSATION I WAS HAVING, THAT I JUST
5 DON'T UNDERSTAND THIS IDEA THAT THERE'S SOMEHOW
6 MAGIC ABOUT THE EXPERTISE OF PEOPLE WHO AREN'T
7 STAFF.

8 MR. SERRANO-SEWELL: SO, DUANE, THIS IS
9 DAVID. I'D LIKE TO HEAR JAMES' ARTICULATION OF WHAT
10 SHERRY SAID EARLIER. I'M VERY WARM TO THAT IDEA.
11 SO, JAMES, HAVE YOU HAD THE CHANCE TO DOODLE ON THE
12 STATEMENT THAT YOU COULD READ TO THE GROUP?

13 MR. HARRISON: SURE. AND I TRIED TO
14 CAPTURE WHAT SHERRY SAID, BUT CORRECT ME IF I'M
15 WRONG. AS I UNDERSTOOD IT, SHE WOULD RECOMMEND THAT
16 THE BOARD FAIRLY DELINEATE DISCRETE AREAS OF
17 RESPONSIBILITY FOR THE CHAIR, THE VICE CHAIRS, AND
18 THE PRESIDENT, TAKING INTO ACCOUNT EACH OF THEIR
19 RESPECTIVE AREAS OF EXPERTISE, AND REQUIRE THAT THEY
20 ALL WORK TOGETHER TO ADVANCE CIRM'S MISSION.

21 MR. SERRANO-SEWELL: RIGHT. AND WE DON'T
22 HAVE TO DECIDE -- I UNDERSTAND THAT TO BE WE DON'T
23 HAVE TO DECIDE THAT NECESSARILY RIGHT NOW TODAY.

24 CHAIRPERSON LANSING: NO, WE CAN'T BECAUSE
25 WE DON'T KNOW WHO THE THIRD PART OF THE WING IS.

BARRISTERS' REPORTING SERVICE

1 MR. SERRANO-SEWELL: EXACTLY. AND SO WHEN
2 WE DO AND WE COME TO CONSENSUS AROUND THAT
3 INDIVIDUAL, THEN WE HAVE A VERY SOLID AND DEFINABLE
4 GUIDING PRINCIPLE. THIS STATEMENT THAT JAMES JUST
5 SAID THAT SHERRY CAME UP WITH, I THINK THAT'S THE
6 WAY TO GO.

7 CHAIRMAN KLEIN: I THINK THAT'S A GOOD
8 APPROACH.

9 CHAIRPERSON LANSING: ALL I'D LIKE TO DO,
10 CLAIRE, IS SAY NOT OVERLAPPING, BUT ALSO JUST
11 SAYING, YOU KNOW, WE DON'T KNOW WHO WE'RE GOING TO
12 GET, YOU KNOW. AND WE DID SAY WHAT THE SKILLS AND
13 ATTRIBUTES THAT WE RECOMMEND; BUT IF SOMEBODY COMES
14 INTO TO US, I'M MAKING THIS UP, THAT HAS, YOU KNOW,
15 EXTRAORDINARY -- I DON'T KNOW. I DON'T WANT TO SAY
16 WITH THE LEGISLATURE BECAUSE I'VE ALREADY GOT THAT.
17 SO I WAS JUST TRYING TO SAY, YOU KNOW, YOU DON'T
18 WANT TO CUT OFF A UNIQUE SKILL SET, BUT YOU DON'T
19 WANT THEM INTERFERING WITH THE STAFF. SO YOU CAN
20 ADD A SENTENCE AND BY NO MEANS INTERFERING WITH THE
21 OPERATIONAL ROLES OF STAFF OR SOMETHING LIKE THAT TO
22 CLARIFY THAT.

23 MS. BAUM: IS IT APPROPRIATE FOR ME? THIS
24 IS ELONA BAUM SPEAKING. I THINK THAT ANSWERING THAT
25 QUESTION, IT'S HELPFUL, BUT I DON'T THINK IT ANSWERS

BARRISTERS' REPORTING SERVICE

1 THE FULL QUESTION. AND I THINK THAT JEFF HIT THE
2 NAIL ON THE HEAD WHEN HE SAID THAT THE PRIMARY
3 QUESTION IS DO WE WANT AN EXECUTIVE CHAIR OR A BOARD
4 CHAIR BECAUSE INITIALLY, EVEN THOUGH THE VICE CHAIR,
5 THE CHAIR, THE PRESIDENT WILL ALL HAVE THEIR CORE
6 COMPETENCIES, AND YOU WILL BE ANSWERING THE QUESTION
7 AS TO THAT CONTROL IN THAT AREA, THERE'S NO ROLE OF
8 MANAGEMENT FOR HR, OPERATIONAL, FACILITIES, ALL
9 THOSE TYPES OF RESPONSIBILITIES THAT GO TYPICALLY
10 WITH THE CEO THAT NEED TO BE ADDRESSED. AND IS THIS
11 SOMETHING THAT WILL NOW BE SPLIT BETWEEN TWO
12 OFFICES?

13 CHAIRPERSON LANSING: NO. I DON'T
14 THINK -- LOOK, I WASN'T REMOTELY THINKING THAT.

15 MR. SERRANO-SEWELL: THAT'S A REAL LONG
16 UNDERSTANDING OF THE DISCUSSION OF THIS BOARD.

17 CHAIRPERSON LANSING: LET ME MAKE CLEAR.

18 MR. SERRANO-SEWELL: THANK YOU, SHERRY.
19 LET'S HAVE THE COMMISSIONERS TALK ABOUT THIS.
20 SHERRY. GO AHEAD.

21 CHAIRPERSON LANSING: ALL I WAS SAYING IS
22 THAT YOU DO NOT WANT THE CHAIR INTERFERING WITH THE
23 OPERATION OF STAFF. YOU CAN SAY THAT. I DON'T
24 THINK ANYONE IS GOING TO DISAGREE WITH THAT, NOBODY.
25 AND SO, THEREFORE, YOU WANT A CLEAR DELINEATION OF

BARRISTERS' REPORTING SERVICE

1 RESPONSIBILITY, AND THOSE THINGS THAT YOU JUST NAMED
2 ARE CLEARLY WITHIN THE PRESIDENT'S AREA.

3 ON THE OTHER HAND, YOU DON'T WANT PEOPLE
4 NOT TALKING TO EACH OTHER. YOU WANT EVERYBODY
5 WORKING TOGETHER TO FULFILL THE MISSION OF CIRM.
6 AND WHERE THERE IS A SPECIFIC AREA OF EXPERTISE THAT
7 SOMEONE MIGHT HAVE, WE SHOULD TAKE ADVANTAGE OF
8 THAT. THAT'S ALL.

9 MR. SHEEHY: SHERRY, THIS IS JEFF. SO
10 WHAT WE'RE REALLY TRYING TO DESCRIBE IS PERHAPS THE
11 CHAIR WHO LEADS A ROBUST OVERSIGHT FUNCTION WITH THE
12 OPPORTUNITY TO EXPLOIT SPECIFIC SKILL SETS THAT
13 MIGHT FALL WITHIN THE DEFINED AREAS OF PROP 71.

14 CHAIRPERSON LANSING: OR -- YES. OKAY.
15 THAT'S ANOTHER WAY OF PUTTING IT.

16 CHAIRMAN KLEIN: JEFF, I THINK THAT PRETTY
17 MUCH CAPTURES IT.

18 CHAIRPERSON LANSING: SO WHY DON'T WE JUST
19 SAY THAT? THAT'S ONE SENTENCE. THAT'S BEAUTIFUL,
20 JEFF.

21 CHAIRMAN KLEIN: IS THAT A MOTION, JEFF?

22 MR. SHEEHY: SURE. IF THAT GETS US OFF
23 THIS.

24 CHAIRMAN KLEIN: I'LL SECOND THAT MOTION.

25 CHAIRPERSON LANSING: -- MORE SUCCINCT

BARRISTERS' REPORTING SERVICE

1 THAN I WAS.

2 MR. SHEEHY: I HOPE PEOPLE UNDERSTAND WHAT
3 I MEAN BY OVERSIGHT VERSUS -- I MEAN I DO THINK THAT
4 THERE NEEDS TO BE A CLEAR DELINEATION BETWEEN
5 OVERSIGHT --

6 CHAIRPERSON LANSING: LET'S SAY --

7 MR. SHEEHY: -- AND OPERATIONS.

8 CHAIRPERSON LANSING: LET'S SAY THAT WE
9 ARE MOVING THAT THERE WILL ALWAYS BE A CLEAR
10 DELINEATION OF ROLES, AND WITH THAT IN MIND, THE
11 CHAIR WOULD, GO ON JEFF.

12 MR. SHEEHY: PERFORM A ROBUST
13 OVERSIGHT -- WOULD LEAD A ROBUST OVERSIGHT -- WOULD
14 LEAD A ROBUST OVERSIGHT EFFORT, INCLUDING TAKING
15 ADVANTAGE OF ALL THE SKILL SETS HE FINDS AMONGST THE
16 MEMBERS OF THE BOARD, AND IF HE OR SHE THEMSELVES
17 HAVE A PARTICULAR SKILL SET WITHIN THE RANGE OF THE
18 PROP 71 DELINEATED DUTIES, THAT WE WOULD WANT TO
19 EXPLOIT THAT.

20 CHAIRMAN KLEIN: AND THE VICE CHAIR,
21 RIGHT, JEFF?

22 MR. SHEEHY: YEAH. YEAH.

23 CHAIRPERSON LANSING: ALL RIGHT. JAMES,
24 CAN YOU READ THAT BACK?

25 MR. SHEEHY: AND MAYBE CLEAN IT UP A

BARRISTERS' REPORTING SERVICE

1 LITTLE BIT.

2 MR. TORRES: DOES THIS ALSO REFLECT THE
3 PRESENTATION WHICH OUR PRESIDENT MADE TO THE BOARD
4 ON THE REORGANIZATION? ARE WE INCLUDING THAT WITHIN
5 THIS CONCEPT?

6 CHAIRMAN KLEIN: THOSE FUNCTIONS ARE
7 WITHIN -- THOSE FUNCTIONS FOR THE BOARD ARE WITHIN
8 THE PROPOSITION 71 ASSIGNED FUNCTIONS TO THE CHAIR.

9 CHAIRPERSON LANSING: JAMES, I'M GOING TO
10 NOW ASK YOU TO READ IT BACK AND TAKE A VOTE.

11 MR. HARRISON: LET ME SEE IF I CAN TRY TO
12 DO IT ON THE FLY. WE WOULD -- GOVERNANCE
13 SUBCOMMITTEE WOULD RECOMMEND THAT THE BOARD CLEARLY
14 DELINEATE DISCRETE AREAS OF RESPONSIBILITY FOR THE
15 CHAIR, THE VICE CHAIR, AND THE PRESIDENT, AND THAT
16 THE CHAIR WOULD LEAD A ROBUST OVERSIGHT EFFORT,
17 INCLUDING TAKING ADVANTAGE OF THE SKILL SETS OF
18 MEMBERS OF THE BOARD, AND IF HE OR SHE POSSESSES
19 PARTICULAR SKILLS WITHIN THE AREAS OF STATUTORY
20 RESPONSIBILITY DESIGNATED IN PROP 71 FOR THE CHAIR
21 AND THE VICE CHAIR, THE BOARD WOULD TAKE ADVANTAGE
22 OF THOSE SKILLS.

23 CHAIRPERSON LANSING: AM I ALLOWED TO MOVE
24 THAT?

25 CHAIRMAN KLEIN: IT'S BEEN MOVED AND

BARRISTERS' REPORTING SERVICE

1 SECONDED.

2 CHAIRPERSON LANSING: OKAY. CAN I HAVE

3 A --

4 CHAIRMAN KLEIN: PUBLIC.

5 CHAIRPERSON LANSING: ANY MEMBERS OF THE
6 PUBLIC?

7 DR. POMEROY: YES, HERE AT UC DAVIS.

8 MS. HOLTON-HODSON: THIS IS RUTH
9 HOLTON-HODSON, THE STATE CONTROLLER'S OFFICE. AS
10 YOU KNOW, AND WE HAD STATED IN PAST, THE STATE
11 CONTROLLER FEELS VERY STRONGLY AND WOULD CERTAINLY
12 URGE YOU TO REALLY ADOPT THE GOVERNANCE BEST
13 PRACTICES WHICH CALL FOR REALLY THAT THE BOARD AND
14 THE CHAIR PROVIDE OVERSIGHT. AND I THINK GIVING THE
15 CONSTITUTIONAL OFFICERS -- IT IS IMPORTANT TO GIVE
16 CONSTITUTIONAL OFFICERS, WHO ARE THE ONES WHO ARE
17 SUPPOSED TO BE LOOKING FOR NOMINATIONS, CLARITY IN
18 TERMS OF WHAT THE ROLE IS GOING TO BE SO THAT WHEN
19 WE ARE TALKING TO CANDIDATES, WE CAN SAY, YOU KNOW,
20 WHETHER YOU'RE LOOKING FOR AN EXECUTIVE CHAIR OR
21 SOMEBODY WHO PROVIDES REALLY THE TRADITIONAL
22 FUNCTIONS OF A BOARD CHAIR AND THAT'S OVERSIGHT.

23 I THINK THE CONTROLLER WOULD ALSO STRONGLY
24 ARGUE THAT THOSE FUNCTIONS NEED TO BE CLEARLY
25 DELINEATED. AND DR. TROUNSON SAID, AS DR. POMEROY

BARRISTERS' REPORTING SERVICE

1 AND DUANE ROTH SAID, YOU CAN ALWAYS HIRE THE
2 EXPERTISE. AND NOW THAT THE 50-PERSON CAP HAS BEEN
3 LIFTED, THAT IS THEN INCUMBENT ON THE AGENCY TO
4 DETERMINE WHERE THAT EXPERTISE IS MISSING AND WHERE
5 THEY CAN GO OUT AND FIND THAT EXPERTISE. CERTAINLY
6 THERE ARE ORGANIZATIONS ALL OVER THE STATE THAT ARE
7 ABLE TO FIND THE EXPERTISE, AND UNDOUBTEDLY CIRM
8 WILL BE SOMEBODY WHO CAN ALSO FIND THAT EXPERTISE.

9 CHAIRPERSON LANSING: SO I'D JUST LIKE TO
10 ASK YOU A QUESTION. SO THIS PARTICULAR --

11 DR. POMEROY: WE CAN'T HEAR YOU. COULD
12 YOU REPEAT THAT?

13 CHAIRPERSON LANSING: SO THIS PARTICULAR
14 STATEMENT, IS IT NOT CLEAR ENOUGH FOR YOU?

15 MS. HOLTON-HODSON: WELL, THE PARTICULAR
16 STATEMENT ACTUALLY -- WE LIKE THE STATEMENT OF THE
17 OVERSIGHT FUNCTION, BUT I DIDN'T THINK IT ACTUALLY
18 REFLECTED THE CONVERSATION, WHICH IS, YES, WE WOULD
19 GO WITH THE OVERSIGHT FUNCTION AND CERTAINLY BE VERY
20 SUPPORTIVE OF THAT. AND AS WE'RE LOOKING, WE WOULD
21 CERTAINLY LOOK FOR SOMEBODY WHO FELT THAT THAT WAS
22 THEIR ROLE RATHER THAN THE CO-EXECUTIVE LEADERSHIP
23 ROLE.

24 MR. SERRANO-SEWELL: WAIT. WAIT. SHERRY,
25 THIS IS DAVID. AS I UNDERSTOOD THE MOTION, IT'S

BARRISTERS' REPORTING SERVICE

1 CLEARLY THE BEAUTY OF IT IS IT STAYS WELL WITHIN THE
2 CONFINES OF WHAT WAS ADOPTED BY THE VOTERS, PROP 71.
3 IT DOESN'T ATTEMPT TO EXCEED THE STATUTORY MANDATE
4 AT ALL. IT SAYS EXPLICITLY THE SKILL SETS
5 WITHIN -- THAT ARE DEFINED WITHIN PROPOSITION 71.
6 SO THIS ISN'T AN ATTEMPT TO USURP MANAGEMENT'S
7 AUTHORITY. THIS IS STAYING WITHIN, STRICTLY WITHIN,
8 THE CONFINES AND SPIRIT OF PROPOSITION 71.

9 CHAIRPERSON LANSING: AND I THINK IT SAYS
10 THE WORD "OVERSIGHT" PURPOSELY AND SAYS TAKING
11 ADVANTAGE, WHICH I THINK EVERYONE WOULD AGREE WITH,
12 TAKING ADVANTAGE OF INDIVIDUAL EXPERTISE OF A BOARD
13 OR A CHAIR OR VICE CHAIR OR ANY OF THE VICE CHAIRS.
14 WE WANT TO TAKE ADVANTAGE OF IF THERE IS SUCH A
15 THING.

16 DR. POMEROY: SHERRY, THIS IS CLAIRE. ONE
17 OF MY CONCERNS IS THAT THE MOTION ONLY SPEAKS TO THE
18 EXPERTISE OF BOARD MEMBERS AND DOESN'T SPEAK TO THE
19 EXPERTISE OF STAFF. AND I THINK THAT IT IMPLIES
20 THAT THE SOLUTIONS WILL BE FOUND IN BOARD MEMBER
21 EXPERTISE RATHER THAN STAFF MEMBERS' EXPERTISE.

22 CHAIRPERSON LANSING: THAT CERTAINLY
23 WASN'T THE INTENTION OF IT.

24 MR. SHEEHY: NO. NO. DR. POMEROY --

25 CHAIRPERSON LANSING: I HAVE A TERRIBLE

BARRISTERS' REPORTING SERVICE

1 FEELING BECAUSE I'M LOOKING AT THE TIME. JAMES,
2 THIS IS NOW MY SUGGESTION BECAUSE I THINK WE'RE
3 GOING TO DO THIS. WHY DON'T WE TAKE A CRACK AT THIS
4 AND CIRCULATE IT AND LET EVERYBODY TRY AND MASSAGE
5 IT AND THEN MEET AGAIN. BECAUSE IT'S TOO IMPORTANT.
6 I HAVE TOO MUCH RESPECT FOR THE CONTROLLER, FOR THE
7 OTHER MEMBERS OF THE BOARD. I JUST DON'T THINK
8 WE'RE GOING TO SOLVE THIS IN THE NEXT TEN MINUTES.
9 SO I'D LIKE US TO -- IS THAT OKAY WITH EVERYBODY IF
10 WE LET JAMES. I THINK YOU'VE GATHERED EVERYTHING
11 WE'RE SAYING.

12 I THINK -- I THINK WE'RE LOOKING FOR
13 OVERSIGHT. WE'RE LOOKING FOR THAT STAFF SHOULD DO
14 THEIR JOB. WE DON'T WANT TO INTERFERE. WE'RE
15 LOOKING FOR CLARITY, BUT WE'RE ALSO LOOKING FOR
16 TAKING ADVANTAGE OF INDIVIDUAL EXPERTISE SHOULD
17 THERE BE SOME SO THAT WE NEVER HAVE A SITUATION
18 WHERE ART CAN'T GO AND DO WHAT HE'S DOING OR
19 SOMEBODY LIKE THAT SITUATION.

20 MR. SHEEHY: COULD I JUST CLARIFY. I
21 WASN'T TALKING IN ANY WAY ABOUT BOARD MEMBERS
22 BECOMING OPERATIONAL. I WAS REALLY ALLUDING BACK TO
23 DUANE'S COMMENT, THAT BOARD MEMBERS OPERATING ON
24 COMMITTEES SHOULD BE ABLE TO EXERCISE THEIR
25 OVERSIGHT FUNCTION. BUT I LOOK AT THAT AS NOT AS

BARRISTERS' REPORTING SERVICE

1 HAVING BOARD MEMBERS WITH THEIR EXPERTISE SUDDENLY
2 BECOMING OPERATIONAL. JUST PART OF THE ROBUST
3 OVERSIGHT FUNCTION, I WOULD EXPECT THAT THE CHAIR
4 COME IN AND NOT -- AND LEAD AN EFFORT THAT INCLUDED
5 THE BOARD IN EXERCISING OVERSIGHT.

6 CHAIRMAN KLEIN: JEFF, THIS IS BOB KLEIN.
7 AS THE SECOND IN THE MOTION, I UNDERSTOOD YOU TO SAY
8 THAT UNDER PROPOSITION 71, AS TO THE MANDATED
9 FUNCTIONS, IF THERE WERE PEOPLE WITH THE EXPERTISE
10 THAT COULD FULFILL THEM, THEY COULD FULFILL THOSE
11 ROLES TO THE BENEFIT OF THE MISSION.

12 CHAIRPERSON LANSING: THAT IS WHAT HE
13 SAID, BUT I HEAR WHAT CLAIRE IS SAYING.

14 DR. POMEROY: I WOULD LIKE TO SUPPORT
15 SHERRY'S RECOMMENDATION, THAT WE TAKE FURTHER TIME
16 TO THINK ABOUT THIS BECAUSE THE PRECISE WORDING IS
17 VERY IMPORTANT.

18 MR. TORRES: ABSOLUTELY.

19 DR. POMEROY: AN UNDERSTANDING IS VERY
20 IMPORTANT. SO LET'S GET IT RIGHT.

21 CHAIRPERSON LANSING: I THINK THAT GIVEN
22 THE TIME, I WOULD SURELY LIKE JAMES TO TAKE ANOTHER
23 CRACK AT IT. EVERYONE FEEL FREE TO GIVE HIM INPUT.
24 WE CAN CIRCULATE IT. WE CAN DO A STRAW POLL BY
25 CIRCULATING IT, AND THEN WE CAN MEET AGAIN AND SEE

BARRISTERS' REPORTING SERVICE

1 IF WE CAN BUILD CONSENSUS BECAUSE I WOULD NOT LIKE
2 US NOT TO HAVE CONSENSUS ON THIS. I WOULD LIKE US
3 TO FEEL AS GOOD ABOUT THIS AS WE DID ABOUT THE FIRST
4 TWO ITEMS.

5 MR. HARRISON: JAMES, I'M HAPPY TO DO
6 THAT. WE, UNFORTUNATELY BECAUSE OF BAGLEY-KEENE,
7 CAN'T DO A STRAW POLL IN THE MIDST OF THE MEETING,
8 BUT WE CAN CERTAINLY CIRCULATE A PROPOSAL BEFORE THE
9 MEETING AND THEN COME TOGETHER TO DISCUSS IT.

10 CHAIRPERSON LANSING: OKAY. IS THAT ALL
11 RIGHT WITH EVERYONE?

12 MR. TORRES: YES.

13 MR. SHEEHY: SURE.

14 CHAIRPERSON LANSING: IS THERE ANYONE
15 OPPOSED TO THAT? OKAY. IS THERE ANY COMMENT FROM
16 ANY MEMBERS OF THE PUBLIC OTHER THAN THAT? OKAY.

17 NOW I'D LIKE TO DISCUSS OUR RECOMMENDATION
18 REGARDING THE PERCENTAGE EFFORT. AND BASED ON THE
19 SURVEY RESULTS, I WOULD LIKE TO SUGGEST THAT WE
20 CONSIDER A RANGE FROM 50 TO 80 PERCENT. THIS WILL
21 ALLOW US TO GIVE POTENTIAL CANDIDATES A SENSE OF THE
22 TIME COMMITMENT REQUIRED WHILE STILL MAINTAINING
23 SOME FLEXIBILITY. CAN I HAVE A MOTION ON THAT, AND
24 THEN I'LL HAVE SOME COMMENT OF THE MEMBERS.

25 CHAIRMAN KLEIN: THIS IS BOB. I WOULD

BARRISTERS' REPORTING SERVICE

1 MAKE A MOTION JUST TO SUPPORT THAT SO WE CAN GET
2 THIS GOING.

3 CHAIRPERSON LANSING: CAN I HAVE SECOND?

4 MR. TORRES: SECOND.

5 CHAIRPERSON LANSING: OKAY. NOW I'D LIKE
6 COMMENTS FROM THE MEMBERS OF THE COMMITTEE.

7 MS. KING: AND THE SECOND IS FROM SENATOR
8 ART TORRES FOR THE RECORD.

9 MR. ROTH: SHERRY, IT'S DUANE. I THINK,
10 BASED ON THE LAST CONVERSATION, IT'S TOTALLY
11 DEPENDENT ON WHERE THAT COMES OUT. AND I THINK I
12 REMEMBER PHIL PIZZO MAKING THE COMMENT IN OUR LAST
13 SUBCOMMITTEE MEETING THAT THIS WILL DETERMINE YOUR
14 POOL OF CANDIDATES. THERE MAY BE SOME VERY TALENTED
15 PEOPLE WHO CAN ACCOMPLISH TO OUR SATISFACTION OR AT
16 LEAST PRESENT THE CASE THAT THEY COULD DO THIS WITH
17 20 PERCENT OF TIME. THERE MAY BE OTHERS WHERE IT'S
18 APPROPRIATE FOR 50. THERE MAY BE OTHERS THAT IT
19 COULD GO AS HIGH AS 80. BUT I THINK THEY'RE
20 INTERDEPENDENT ON HOW WE END UP ON THAT FIRST
21 QUESTION.

22 SO I WOULD ARGUE THAT YOU COULD LEAVE IT
23 PRETTY WIDE OPEN HERE WITHOUT DECLARING ONE WAY OR
24 THE OTHER BECAUSE IT WILL INCREASE YOUR POOL OF
25 CANDIDATES IF THE TIME COMMITMENT IS NOT VIEWED TO

BARRISTERS' REPORTING SERVICE

1 BE OVERWHELMING.

2 CHAIRPERSON LANSING: WELL, I WAS ONLY
3 TAKING WHAT THE SURVEY SHOWED. SO I'M REFLECTING
4 THAT BACK ON YOU.

5 CHAIRMAN KLEIN: THIS IS BOB KLEIN. I,
6 DUANE, DON'T BELIEVE SOMEONE CAN MEET THESE
7 RESPONSIBILITIES, AND IT'S EVEN DIFFICULT TO WRITE
8 DOWN THE RANGE OF RESPONSIBILITIES, BUT WE TRIED TO
9 STILL GIVE YOU A HISTORICAL PERSPECTIVE. I WAS ONE
10 WHO REALLY DECEIVED MYSELF ORIGINALLY, THINKING THAT
11 I COULD USE A LOT LESS TIME. THAT WAS A DECEPTION
12 THAT CAME BACK TO BITE ME BECAUSE IT IS -- IT
13 REALLY, IF YOU GO WITH THE OPPORTUNITIES FOR THIS
14 AGENCY TO FULFILL THOSE RESPONSIBILITIES AND YOU TRY
15 AND COMMUNICATE AND ANSWER THE QUESTIONS OF 41
16 DIFFERENT BOARD MEMBERS, INCLUDING ALTERNATES, THERE
17 ARE 40 DEPENDING ON THE TIME, IT IS EXTRAORDINARILY
18 TIME-CONSUMING IN JUST IN THE POLICY ROLE IN THE
19 SUBCOMMITTEES AND THE TASK FORCES.

20 AND I TELL YOU IF YOU DON'T ATTEND PEER
21 REVIEW AND DO THE RESEARCH AND READ REPORTS AND PUT
22 IN THE HUGE AMOUNT OF TIME THAT JEFF SHEEHY AND
23 FRANCISCO PRIETO AND DAVID SERRANO-SEWELL AND OTHERS
24 PUT IN ON PEER REVIEW, YOU ARE NOT GOING TO KNOW AS
25 A CHAIR WHAT THE ISSUES ARE TO TRY AND WORK WITH THE

BARRISTERS' REPORTING SERVICE

1 PRESIDENT AND HIS STAFF BEFORE THE MEETING TO TRY
2 AND WORK WITH THE PATIENT ADVOCATES ON THE BOARD TO
3 TRY AND WORK WITH THE BOARD AND UNDERSTAND THE
4 EXTRAORDINARY PETITIONS AND ISSUES THAT COME UP.

5 SO JUST FROM AN INDIVIDUAL PERSPECTIVE TO
6 FULFILL THIS ROLE, I THINK YOU REALLY SHORTCHANGE
7 THE VOTERS IF YOU'RE NOT OPERATING AT LEAST WITHIN
8 THE 50 TO 80 PERCENT TIME FRAME. AND AT TIMES
9 YOU'RE GOING TO BE AT A HUNDRED PERCENT. WHETHER
10 YOU'RE PAID FOR IT OR NOT, YOU'RE GOING TO BE AT 110
11 PERCENT.

12 MR. SHEEHY: SHERRY, THIS IS JEFF SHEEHY.
13 I ACTUALLY AGREE WITH BOTH SPEAKERS. I THINK I
14 WOULD PROBABLY AMEND THAT MOTION TO GO 20 TO 80
15 PERCENT BECAUSE I COULD IMAGINE SOMEBODY FUNCTIONING
16 WELL IN A MORE LIMITED ROLE IN OVERSIGHT, CONDUCTING
17 A VERY ROBUST OVERSIGHT ISSUE WHERE YOU HAVE
18 COMMITTEES THAT ARE ACTIVATED DOING A LOT OF WORK,
19 YOU KNOW, AND NOT, YOU KNOW, WISHING TO DRAW ON ANY
20 PARTICULAR EXPERTISE, JUST COMING IN AND JUST DOING
21 THE SIMPLE OVERSIGHT AND RUNNING THE BOARD AS AN
22 OVERSIGHT BODY. I CAN ALSO IMAGINE SOMEONE WHO
23 COMES IN WITH A REALLY WELL-DEFINED SKILL SET, LET'S
24 SAY, IN FINANCE, BECAUSE BOB HAS BROUGHT THAT UP.
25 AND I DO THINK -- AND IT IS IN THE PROPOSITION AND

BARRISTERS' REPORTING SERVICE

1 IT IS AN UNUSUAL SKILL SET THAT MIGHT TAKE THEM MORE
2 TOWARDS THE 80 PERCENT.

3 DR. STEWARD: JEFF, THIS IS OS. COULD I
4 AMPLIFY ON THAT JUST FOR A MINUTE? ONE OF THE
5 THINGS THAT WE DISCUSSED BEFORE AS A BOARD IS THAT,
6 AND I THINK THAT IS STILL CONSENSUS, I HOPE, THAT WE
7 DO NOT WANT TO LIMIT POSITIONS OF CHAIR AND VICE
8 CHAIR TO PEOPLE WHO, LET'S SAY, ARE INDEPENDENTLY
9 WEALTHY AND DON'T NEED TO WORRY ABOUT GETTING PAID.
10 AND HAVING SAID THAT, WHAT THAT MEANS IS THAT IF WE
11 HAVE SOMEONE WHO IS WORKING AT A, LET'S SAY, 30
12 PERCENT LEVEL, THEY'RE GOING TO HAVE A DAY JOB. AND
13 WHAT THAT COULD MEAN IS THAT THERE WOULD BE TIMES
14 WHEN THE BOARD WOULD HAVE AN URGENT MATTER THAT
15 WOULD REQUIRE THE ATTENTION OF THE CHAIRMAN AND THAT
16 THE CHAIRMAN WOULD BE UNABLE TO DO THAT BECAUSE OF
17 OTHER COMMITMENTS TO, AGAIN, LET'S CALL IT THEIR DAY
18 JOB. AND I'M JUST THROWING THAT OUT THERE AS
19 ANOTHER CONSIDERATION THAT ACTUALLY SORT OF FITS
20 INTO THIS WHOLE PACKAGE. AND I THINK MAYBE PUSHES
21 US A LITTLE BIT MORE TOWARD THE OPTION OF GOING WITH
22 A HIGHER PERCENTAGE EFFORT THAN A LOWER.

23 MR. TORRES: MADAM CHAIR, IF I MAY.

24 CHAIRPERSON LANSING: YES, OF COURSE.

25 MR. TORRES: I'M THERE DAY-TO-DAY, AS YOU

BARRISTERS' REPORTING SERVICE

1 ALL KNOW. AND I SEE HOW HARD ALAN WORKS. I SEE HOW
2 HARD BOB WORKS. I DON'T THINK THAT YOU ARE GOING TO
3 FIND THE KIND OF CANDIDATE THAT WE NEED AT THE
4 20-PERCENT LEVEL. YOU ARE GOING TO HAVE TO AT LEAST
5 THANK GOD WE HAD BOB THAT WAS WILLING TO WORK AT
6 50-PERCENT LEVEL, BUT EVEN THAT I THINK IS GOING TO
7 BE A STRETCH IN TERMS OF WHAT LIES AHEAD.

8 I DON'T THINK THAT YOU ARE GOING -- THE
9 ISSUE FOR ME IS THAT I SUPPORT THE CHAIRWOMAN'S
10 RECOMMENDATION AT THE BOTTOM LEVEL BEING 50 PERCENT
11 AND MOVE FROM THERE AND THEN THAT HELPS US. AGAIN,
12 IT GOES BACK TO MAYBE WE OUGHT TO PUT THIS OFF AS
13 WELL AS WE DID THE LAST ITEM SO THAT WE HAVE CLARITY
14 ON BOTH ISSUES BEFORE WE MOVE FORWARD.

15 CHAIRPERSON LANSING: I ACTUALLY DON'T
16 THINK WE NEED TO PUT THIS ONE OFF BECAUSE THIS IS
17 HOW MUCH TIME WE'RE GOING TO DO. I MEAN WE CAN
18 CHANGE THIS, BUT -- THERE WAS A PRETTY CLEAR
19 CONSENSUS IN THE GRAPH.

20 MR. SHEEHY: WE'RE ON THE BOOKS FOR 50
21 PERCENT NOW.

22 MR. TORRES: THEN CALL FOR THE QUESTION AT
23 SHERRY'S RECOMMENDATION.

24 CHAIRMAN KLEIN: CALL FOR THE QUESTION IS
25 THE RIGHT THING. AND, SHERRY, YOU ARE GOING TO RUN

BARRISTERS' REPORTING SERVICE

1 OUT OF TIME HERE.

2 CHAIRPERSON LANSING: I SURE AM. ANYWAYS.
3 LET'S CALL FOR THE QUESTION. DO I NEED TO DO
4 MEMBERS OF THE PUBLIC?

5 MR. HARRISON: YOU DO.

6 CHAIRPERSON LANSING: MEMBERS OF THE
7 PUBLIC, ANY COMMENTS?

8 MS. KING: WE DO HAVE ONE HERE IN SAN
9 FRANCISCO. AND AGAIN, JAMES, BEFORE DON MAKES HIS
10 COMMENT, COULD YOU JUST PLEASE REPEAT THE MOTION FOR
11 THE PUBLIC AND THE BOARD MEMBERS' SAKE?

12 MR. HARRISON: YES. AS I UNDERSTAND IT,
13 THE MOTION IS TO RECOMMENDED THAT THE BOARD
14 ESTABLISH A PERCENT EFFORT FOR THE CHAIR OF 50 TO 80
15 PERCENT.

16 MS. KING: THANK YOU. GO AHEAD, DON.

17 DR. REED: I THINK THIS IS A SERIOUS
18 MISTAKE. I THINK ONE REASON THAT THE ICOC HAS BEEN
19 ABLE TO FUNCTION SO WELL IS BECAUSE ONE PERSON KNEW
20 PRETTY MUCH SOMETHING ABOUT EVERY SINGLE ISSUE THAT
21 CAME UP, AND THAT WAS BOB. AND IF WE TAKE A PERSON
22 AND SAY, WELL, WE'RE GOING TO GIVE YOU A PART-TIME
23 RESPONSIBILITY FOR THIS INCREDIBLY COMPLICATED JOB,
24 YOU'RE GOING TO GET A LOT LESS RESULTS. I REALLY
25 STRONGLY THINK IT SHOULD BE UP TO A HUNDRED PERCENT.

BARRISTERS' REPORTING SERVICE

1 I THINK THIS IS -- I CAN'T BELIEVE WHAT
2 I'M HEARING. YOU KNOW HOW HARD THIS JOB IS. IT'S
3 INCREDIBLY HARD. AND THE WORST IS YET TO COME,
4 PARTICULARLY IF WE WANT TO APPLY TO A PART TWO. WE
5 CANNOT DO THIS ON A PART-TIME BASIS. IT HAS TO BE A
6 FULL-TIME JOB. NO QUESTIONS ABOUT IT. MY ADVICE.

7 CHAIRPERSON LANSING: OKAY. SO CAN I CALL
8 FOR THE QUESTION?

9 MS. KING: YES. BOB KLEIN.

10 CHAIRMAN KLEIN: YES.

11 MS. KING: SHERRY LANSING.

12 CHAIRPERSON LANSING: YES.

13 MS. KING: TED LOVE. CLAIRE POMEROY.

14 DR. POMEROY: NO.

15 MS. KING: DUANE ROTH.

16 MR. ROTH: NO.

17 MS. KING: DAVID SERRANO-SEWELL.

18 MR. SERRANO-SEWELL: YES.

19 MS. KING: JEFF SHEEHY.

20 MR. SHEEHY: NO.

21 MS. KING: OSWALD STEWARD.

22 DR. STEWARD: YES.

23 MS. KING: AND ART TORRES.

24 MR. TORRES: AYE.

25 MS. KING: SO THE MOTION CARRIES FIVE YES

BARRISTERS' REPORTING SERVICE

1 VOTES TO THREE NO VOTES.

2 CHAIRPERSON LANSING: OKAY. NOW WE'RE
3 GOING TO DISCUSS COMPENSATION. AS JAMES SAID, NOW
4 HERE WERE THE RESULTS ARE SOMEWHAT DIFFICULT TO
5 DECIPHER. THERE ARE TWO APPROACHES THAT I THINK WE
6 CAN CONSIDER. FIRST, WE COULD RECOMMEND A RANGE.
7 THE CURRENT RANGE IS 275,000 TO 508,750 FOR FULL
8 TIME. SECOND, WE COULD POSE THE QUESTION AGAIN TO
9 THE BOARD MEMBERS, BUT ASK THEM TO IDENTIFY WHAT
10 SALARY THEY WOULD RECOMMEND FOR A HUNDRED PERCENT
11 EFFORT IN ORDER TO GET A BETTER SENSE OF WHERE THE
12 BOARD MEMBERS ARE. AND THEN WE WOULD BE ABLE TO
13 ADJUST THE PERCENTAGE ACCORDINGLY.

14 SO I WOULD LIKE TO ASK THE MEMBERS HOW
15 THEY WOULD LIKE TO PROCEED ON THIS.

16 CHAIRMAN KLEIN: SHERRY, WHAT ABOUT
17 LEAVING IT OPEN UNTIL WE SEE HOW MISSION CRITICAL
18 THE CHARACTERISTICS OF THE CANDIDATES ARE AND WHAT
19 THE NEEDS OF THE CANDIDATES ARE? WHY TAKE -- FOCUS
20 PRESS ISSUE ON THIS UNTIL WE KNOW WHAT WE'RE FACED
21 WITH? AND AS ART SAYS, I THINK IT'S VERY IMPORTANT
22 THAT WE NOT RESTRICT PUBLIC SERVICE TO PEOPLE THAT
23 ARE WEALTHY. AND WE NEED TO UNDERSTAND -- THE BEST
24 OF ALL WORLDS IS MAYBE WE GET SOMEBODY WHO WOULD
25 WORK FOR 80 PERCENT AND CONTRIBUTE 20 PERCENT SO WE

BARRISTERS' REPORTING SERVICE

1 GET A FULL-TIME PERSON BECAUSE, LIKE DON SAYS, IT'S
2 AN EXTRAORDINARILY DEMANDING POSITION. BUT MAYBE WE
3 MAY FOR 80 PERCENT AND GET A HUNDRED PERCENT. BUT
4 UNTIL WE KNOW WHO THE CANDIDATES ARE, DO WE REALLY
5 WANT TO TAKE A FIRM POSITION ON THE SALARY RANGE?

6 CHAIRPERSON LANSING: WELL, AGAIN, I'M
7 ACTUALLY TRYING TO DECIPHER WHAT THIS GROUP WANTS.
8 SO I'M PERFECTLY WILLING TO PUT IT OFF. I REMEMBER
9 JEFF IN PARTICULAR FEELING VERY IMPORTANT THAT WE
10 ADDRESS THE SALARY ISSUE. AND I DON'T WANT TO PUT
11 WORDS IN YOUR MOUTH, JEFF, BUT THAT IT WAS VERY
12 IMPORTANT AS WE TALK TO CANDIDATES.

13 MR. TORRES: BUT I THOUGHT WE ALREADY BY
14 IMPLICATION OF THE AMOUNT OF TIME REQUIRED THAT WE
15 JUST VOTED ON BEGS THE QUESTION OF WHAT THE SALARY
16 IS GOING TO BE.

17 CHAIRPERSON LANSING: WELL, THE CURRENT
18 RANGE IS 275 TO 508. JAMES, YOU WANT TO GIVE SOME
19 CLARITY ON EXACTLY WHAT THE BOUNDARIES ARE.

20 MR. TORRES: I THOUGHT THE BOUNDARIES WE
21 JUST SAID IS 50 TO 80 PERCENT.

22 CHAIRPERSON LANSING: THAT'S CORRECT.

23 MR. TORRES: WELL, THEN, THAT'S AN EASY
24 MULTIPLICATION TABLE IN TERMS OF WHATEVER THE SALARY
25 LEVELS THAT THE BOARD HAD ACCEPTED BEFOREHAND.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: ARE WE COMFORTABLE
2 WITH LEAVING THOSE -- SO WE'RE JUST RECOMMENDING THE
3 CURRENT RANGE. JAMES, YOU SAID IT WAS VERY
4 DIFFICULT TO DECIPHER. DO YOU WANT TO CLARIFY THIS?

5 MR. HARRISON: WELL, WE -- I THINK THE
6 CONFUSION, SHERRY, MAY HAVE ARISEN FROM THE MANNER
7 IN WHICH WE ASKED THE QUESTION. WE CAN TAKE THE
8 NUMBERS THAT THE MEMBERS PROVIDED AND EXTRAPOLATE
9 INTO 100-PERCENT EFFORT. AND AS I SAID, THAT GIVES
10 US SOME SENSE OF THE RANGE WHERE MEMBERS WERE. BUT
11 I WANTED TO BE CLEAR THAT MEMBERS UNDERSTOOD. AS
12 SENATOR TORRES SAID, ANOTHER OPTION IS SIMPLY TO USE
13 THE EXISTING RANGE. OBVIOUSLY ADJUST IT BY THE 50-
14 TO 80-PERCENT EFFORT IF THE BOARD WERE TO APPROVE
15 THAT.

16 CHAIRMAN KLEIN: SO, SHERRY, UNDER SENATOR
17 TORRES' POINT, WHICH IS A GOOD ONE, IS ON THE LOW
18 END, 50 PERCENT OF 275 IS 135. AND 80 PERCENT OF
19 508 IS 400,000. SO YOU HAVE A RANGE OF 125 TO
20 400,000. AND THEN YOU HAVE TO SEE, YOU KNOW, WHO
21 YOU HAVE AND HOW MISSION CRITICAL IT IS.

22 CHAIRPERSON LANSING: WELL, I'M
23 COMFORTABLE WITH THIS IF EVERYBODY IS COMFORTABLE.
24 ARE THERE ANY COMMENTS? CAN I ASSUME BY THE LACK OF
25 COMMENTS THAT YOU ALL SUPPORT WHAT ART AND BOB ARE

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1 SAYING?

2 MR. SHEEHY: YEAH, I THINK THAT'S FINE,
3 SHERRY.

4 DR. POMEROY: I THINK WE CAN REVISIT THIS
5 IN THE FUTURE.

6 MR. TORRES: RIGHT.

7 DR. POMEROY: IF IT BECOMES NOT --

8 CHAIRPERSON LANSING: CLAIRE, DEFINITELY.
9 BUT I JUST WANT TO BE SURE. HONESTLY, DON'T KILL
10 THE MESSENGER. I'M JUST TRYING TO INTERPRET THE
11 SURVEY RESULTS AND GET SOME CONSENSUS SO THAT WE CAN
12 REPORT BACK TO THE BOARD.

13 MR. TORRES: WE WANT YOU FULLY ALIVE.

14 CHAIRPERSON LANSING: OKAY. ALL RIGHT.
15 SO THEN WE ARE -- WE HAVE ALREADY ADDRESSED THIS
16 ISSUE. AND, JAMES, YOU'RE CLEAR ABOUT THIS?

17 MR. HARRISON: YES. IN ESSENCE, THE
18 RECOMMENDATION IS NOT TO CHANGE THE RANGE. JUST TO
19 LEAVE THE EXISTING RANGE IN PLACE.

20 CHAIRPERSON LANSING: OKAY. NOW, IS THERE
21 ANY COMMENT FROM ANY MEMBERS OF THE PUBLIC? OKAY.
22 I DON'T NEED TO DO A ROLL CALL VOTE, DO I, MELISSA?

23 MS. KING: NO, YOU DON'T. WE'RE ALL SET.

24 CHAIRPERSON LANSING: ACTUALLY WE WILL NOT
25 BE DEALING WITH THE NEXT AGENDA. SO WE WILL NOT BE

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1 DOING A CLOSED SESSION TODAY. AND SO I JUST WANT TO
2 KNOW IF THERE ARE ANY FURTHER COMMENTS FROM ANY
3 MEMBERS OF THE SUBCOMMITTEE?

4 MR. TORRES: NO. JUST THANK YOU VERY
5 MUCH, MADAM CHAIR, FOR THE LEADERSHIP IN CONDUCTING
6 THIS VERY IMPORTANT AND DELICATE MEETING.

7 CHAIRPERSON LANSING: WELL, I THANK YOU
8 FOR THOSE KIND WORDS. I REALLY AM ONLY TRYING TO
9 GET A CONSENSUS AND GET US ALL TO FEEL GOOD ABOUT
10 THIS. AND SO I'M LOOKING FORWARD TO CONTINUING TO
11 DISCUSS IT WITH EVERYBODY TO SOLVE THE ONE REMAINING
12 ITEM.

13 DR. POMEROY: SHERRY.

14 CHAIRPERSON LANSING: FURTHER PUBLIC
15 COMMENT?

16 DR. POMEROY: SHERRY, THIS IS CLAIRE. I
17 JUST HAVE A QUESTION. MAYBE YOU OR JAMES COULD
18 REMIND US WHAT THE NEXT STEP IN THE PROCESS WOULD
19 BE.

20 CHAIRPERSON LANSING: SURE. JAMES.

21 MR. HARRISON: CLAIRE, I PRESUME THE NEXT
22 STEP WOULD BE TO SCHEDULE ANOTHER GOVERNANCE
23 SUBCOMMITTEE MEETING SO THAT THE GOVERNANCE
24 SUBCOMMITTEE WOULD BE IN A POSITION TO MAKE A
25 RECOMMENDATION TO THE BOARD. WE HAVE BASED ON THIS

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1 MEETING'S RECOMMENDATIONS WITH RESPECT TO THE
2 ATTRIBUTES, SKILL SET, AND PERCENT EFFORT, SALARY
3 RANGE. SO THE ONLY QUESTION REMAINING FROM THE
4 SURVEY IS THE ONE THAT WE HAVE AGREED TO GIVE A
5 LITTLE BIT MORE THOUGHT TO.

6 CHAIRMAN KLEIN: AND SO, SHERRY, THIS IS
7 BOB. I'M GOING TO BE GONE IN A SHORT PERIOD OF
8 TIME. AND MY SUGGESTION IS THAT WITH WHAT WE HAVE
9 DEFINITION ON NOW, IT SHOULD BE SUFFICIENT TO MAKE
10 SURE THAT WE GET AS MANY CANDIDATES AS WE CAN AT
11 LEAST SO THOSE PEOPLE WHO ARE INTERESTED IN SERVING,
12 BECAUSE DOING ALL THIS SEQUENTIALLY, IT IS DIFFICULT
13 IN TERMS OF THE TIMELINE. AND IN TERMS OF THIS
14 QUESTION THAT IS -- THAT THERE'S A REAL DIVIDE ON, I
15 ACTUALLY ONE MIGHT GUESS FROM MY PRIOR COMMENTS THAT
16 THE POSITIONS OF THE BOARD ARE GOING TO TEND TO
17 CENTER AROUND WHETHER OR NOT PEOPLE HAVE SPECIAL
18 TALENTS THAT FULFILL THE PROPOSITION 71 MANDATES OR
19 DON'T. AND SO IT'S GOING TO BE HARD TO GET CLOSURE
20 ON THE OPEN ITEM UNTIL WE SEE WHO THE CANDIDATES
21 ARE.

22 CHAIRPERSON LANSING: WELL, I THINK WE CAN
23 DO TWO THINGS, BOB. I THINK WE, A, SHOULD BEGIN TO
24 EXPLORE, YOU KNOW, ENCOURAGE PEOPLE TO, YOU KNOW, BE
25 OPEN TO THE JOB, AND WE CAN CERTAINLY TELL THEM THE

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1 SKILL SETS AND THE ATTRIBUTES AND THE SALARY RANGE
2 AND PERCENTAGE OF TIME AND ETC. I THINK WE CAN
3 REPORT BACK TO THE BOARD ON THOSE ITEMS ON MARCH 9TH
4 AND 10TH WHEN WE HAVE OUR MEETING. AND I THINK WE
5 HAVE A DUTY AS THE GOVERNANCE COMMITTEE TO CONTINUE
6 TO TRY AND LICK WHAT I CALL THE THIRD ITEM, THE
7 RELATIONSHIP OF REPORTING RESPONSIBILITY. AND I
8 THINK THE CONTROLLER IS ALSO ASKING US TO DO THAT AS
9 I HEARD FROM PUBLIC COMMENT.

10 SO I'D LIKE TO HAVE JAMES TRY AND CRAFT
11 SOME LANGUAGE WITH INPUT FROM ANYBODY WHO WISHES TO
12 AND THEN SCHEDULE ANOTHER CALL TO SEE IF WE CAN DO
13 THAT. AND I KNOW IT HAS TO BE WITHIN TEN DAYS, SO
14 IT PROBABLY WON'T BE BEFORE THE BOARD MEETING, BUT
15 THIS WILL BE AN ONGOING THING THAT WE WILL CONTINUE
16 TO DO. IS THAT OKAY WITH EVERYONE?

17 MR. TORRES: YEP.

18 CHAIRPERSON LANSING: ALL RIGHT. WITH
19 THAT SAID, ANY OTHER COMMENT? ANY PUBLIC COMMENT?
20 THE MEETING IS RESPECTFULLY ADJOURNED. AND I THANK
21 ALL OF YOU FOR YOUR TIME, AND WE WILL BE REPORTING
22 BACK TO THE BOARD, AND WE WILL CONTINUE TO DIALOGUE
23 ON THE OTHER ITEM.

24
25

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE GOVERNANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING ON THURSDAY, FEBRUARY 17, 2011, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE RECORDED AND SUBSEQUENTLY TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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