

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: VARIOUS TELEPHONE LOCATIONS

DATE: WEDNESDAY, FEBRUARY 20, 2008
 3 P.M.

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

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BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 WEDNESDAY, FEBRUARY 20, 2008

2

3 CHAIRPERSON LANSING: I THINK THEN WE
4 CAN OFFICIALLY WELCOME EVERYONE TO THIS MEETING OF
5 THE GOVERNANCE SUBCOMMITTEE OF THE ICOC. AND AS
6 YOU SEE, WE HAVE PARTICIPANTS IN ALMOST ALL OF OUR
7 LOCATIONS. WE'RE STILL WAITING FOR HAWAII. AND I
8 WANT TO THANK YOU ALL FOR PARTICIPATING IN THIS
9 IMPORTANT PHONE CALL.

10 SO, MELISSA, CAN I ASK YOU TO CALL THE
11 ROLL, PLEASE.

12 MS. KING: ABSOLUTELY. BRIAN HENDERSON.
13 BOB KLEIN.

14 MR. KLEIN: HERE.

15 MS. KING: SHERRY LANSING.

16 CHAIRPERSON LANSING: HERE.

17 MS. KING: TINA NOVA. PHIL PIZZO.
18 CLAIRE POMEROY.

19 DR. POMEROY: HERE.

20 MS. KING: JOHN REED. DUANE ROTH. AND
21 OSWALD STEWARD.

22 DR. STEWARD: HERE.

23 CHAIRPERSON LANSING: DOES THAT GIVE US
24 A QUORUM? I THINK IT DOES.

25 MS. KING: IT DOESN'T GIVE US A QUORUM;

BARRISTERS' REPORTING SERVICE

1 AND BECAUSE OF SOME CHANGES IN PEOPLE' S SCHEDULES,
2 WE ACTUALLY WON' T HAVE A QUORUM TODAY, BUT --

3 CHAIRPERSON LANSING: WE CAN PASS ALONG
4 THE RECOMMENDATIONS. ALL RIGHT.

5 MS. KING: AND YOU HAVE THAT INFORMATION
6 IN FRONT OF YOU.

7 CHAIRPERSON LANSING: I SURE DO.

8 MS. KING: OKAY. EXCELLENT.

9 CHAIRPERSON LANSING: SO I WOULD LIKE TO
10 NOW MOVE ON TO AGENDA ITEM 3, WHICH IS
11 CONSIDERATION OF CHANGES TO THE CIRM SALARY RANGES
12 LEVELS 9, 10 AND FOR SCIENTIFIC OFFICER I AND
13 SCIENTIFIC OFFICER II. AND SO IN ORDER TO ADDRESS
14 THESE ITEMS, I' D LIKE TO ASK ALEXANDRA CAMPE TO
15 WALK US THROUGH THIS ITEM. AND BEFORE SHE DOES
16 THAT, I JUST WANT TO MAKE SURE THAT EVERYONE HAS
17 THE SALARY CHANGE DOCUMENTS IN FRONT OF YOU.
18 EVERYONE COMFORTABLE WITH THIS?

19 MS. KING: DID EVERYBODY GET THE SALARY
20 RANGE DOCUMENT, A ONE-PAGE SPREADSHEET DOCUMENT?
21 EVERYONE ON THE PHONE HAVE THAT? IN ADDITION TO
22 THAT, YOU SHOULD ALSO HAVE THE MERCER SALARY
23 SPONSOR REPORT AND ALSO AN UPDATED VERSION OF THE
24 COMPENSATION PHILOSOPHY. JUST WANT TO MAKE SURE.
25 CAN EVERYBODY ON THE PHONE TELL US YES IF YOU HAVE

BARRISTERS' REPORTING SERVICE

1 THOSE DOCUMENTS.

2 CHAIRPERSON LANSING: DOES ANYONE NOT
3 HAVE IT?

4 MS. KING: DR. HENDERSON, DID YOU JOIN
5 US?

6 CHAIRPERSON LANSING: YES. HE WAS
7 THERE.

8 MS. KING: NO. DR. HENDERSON, I DON'T
9 THINK, IS ON THE PHONE YET. BUT, JAMES, WE HAVE
10 YOU, RIGHT?

11 MR. HARRISON: YES, I'M HERE.

12 MS. KING: EXCELLENT.

13 CHAIRPERSON LANSING: ALL RIGHT. SO
14 WITH THAT IN MIND, ALEXANDRA, WOULD YOU GO AHEAD?

15 MS. CAMPE: YES. THANK YOU, SHERRY.

16 MEMBERS OF THE GOVERNANCE SUBCOMMITTEE, WE WOULD
17 LIKE TO REQUEST FROM THE GOVERNANCE SUBCOMMITTEE A
18 RECOMMENDATION TO THE ICOC FOR CHANGES TO THE CIRM
19 SALARY RANGES. IN THE SPRING OF 2007, CIRM ISSUED
20 A REQUEST FOR PROPOSALS TO CONTRACT WITH AN
21 EXPERIENCED FIRM FOR THE REVIEW AND SURVEY OF ALL
22 BUDGETED CIRM POSITIONS. CIRM RECEIVED TWO
23 RESPONSIVE BIDS AND SIGNED A CONTRACT WITH MERCER
24 HUMAN RESOURCE CONSULTING ON APRIL 30TH, 2007.

25 IN ADDITION, CIRM HAS DOCUMENTED ITS

BARRISTERS' REPORTING SERVICE

1 SALARY ADMINISTRATION PHILOSOPHY AND PRACTICE.
2 UNDER ITS TOTAL COMPENSATION PHILOSOPHY ADOPTED IN
3 JANUARY OF 2008, CIRM WILL TARGET BASE PAY AT THE
4 80TH PERCENTILE OF RELEVANT MARKET DATA. A COPY
5 OF THE COMPENSATION PHILOSOPHY HAS BEEN PROVIDED,
6 AS MENTIONED, TO THE GOVERNANCE SUBCOMMITTEE AND
7 TO THE ICOC ON JANUARY 7TH AND 17TH, 2008,
8 RESPECTIVELY. WE'VE ALSO UPDATED THE COMPENSATION
9 PHILOSOPHY STATEMENT BASED ON -- REFLECTING THE
10 ICOC BOARD'S APPROVAL OF CHANGES TO THE
11 COMPENSATION PROGRAM. AND THAT UPDATED
12 COMPENSATION PHILOSOPHY STATEMENT WAS ADDED TO THE
13 AGENDA TODAY.

14 OKAY. MERCER DELIVERED ITS FINAL REPORT
15 TO CIRM ON JANUARY 14TH, 2008. THE MERCER SPONSOR
16 REPORT, INCLUDING A LIST OF THE PARTICIPATING
17 ORGANIZATIONS, HAS BEEN PROVIDED TO YOU FOR THIS
18 MEETING.

19 OKAY. SO TODAY WE ARE REQUESTING
20 APPROVAL OF CHANGES TO SALARY LEVELS 9 AND 10 AND
21 THE SCIENTIFIC OFFICER I AND II POSITIONS, WHICH
22 PERTAIN TO POSITIONS THAT ARE BEING CONSIDERED OR
23 NEED IMMEDIATE UPGRADING.

24 THE INSTITUTE IS CURRENTLY RECEIVING OR
25 REVIEWING ALL JOB DESCRIPTIONS TO IMPROVE ACCURACY

BARRISTERS' REPORTING SERVICE

1 AND CONSISTENCY. CIRM IS IN THE PROCESS OF
2 EVALUATING MERCER'S DATA TO ENSURE THAT THE JOB
3 DESCRIPTORS USED WERE ACCURATE BASED ON CURRENT
4 EXPECTATIONS AND WILL REQUEST APPROVAL OF CHANGES
5 TO OTHER SALARY LEVELS LATER THIS YEAR.

6 FOR CIRM TO BE SUCCESSFUL, THE INSTITUTE
7 NEEDS TO HIRE AND RETAIN AN EXCEPTIONAL GROUP OF
8 EMPLOYEES TO CARRY OUT BOTH ITS SCIENTIFIC AND
9 ADMINISTRATIVE FUNCTIONS. CIRM RELIES ON ITS
10 COMPENSATION STRUCTURE TO OFFER EMPLOYEES CAREER
11 GROWTH AND PAY OPPORTUNITIES. A COMPETITIVE
12 COMPENSATION PROGRAM ENHANCES OUR ABILITY TO
13 ATTRACT, RETAIN, AND MOTIVATE A DIVERSE GROUP OF
14 TALENTED INDIVIDUALS.

15 CIRM TARGETS BASE PAY COMPENSATION TO
16 MEET THE 80TH PERCENTILE FOR COMPARABLE SALARIES
17 IN ORGANIZATIONS DEFINED BY PROPOSITION 71. AS
18 YOU KNOW, CIRM DOES NOT PROVIDE A LONG-TERM CAREER
19 PATH FOR ADVANCEMENT FOR STAFF WITHIN CIRM DUE TO
20 A LIMITED NUMBER OF POSITIONS DEFINED BY LAW IN
21 CIRM'S STRUCTURE.

22 SO BASED ON THE MERCER DATA UNDER THE
23 DATA LISTED UNDER TOTAL CASH COMPENSATION IN THE
24 MERCER SPONSOR REPORT PROVIDED TO YOU, WE WOULD
25 LIKE TO REQUEST THE FOLLOWING CHANGES. FIRST,

BARRISTERS' REPORTING SERVICE

1 ESTABLISH THE TOP SALARY LEVELS 9 AND 10 AS
2 EXECUTIVE IN TERMS OF DEFINITION OF TYPE OF
3 POSITION. THESE LEADERSHIP POSITIONS ARE CRITICAL
4 TO THE SUCCESS OF CIRM.

5 THE TOP TWO SALARY LEVEL RANGE SPREADS
6 WILL MOVE FROM 50 PERCENT TO 125 PERCENT. THE
7 MINIMUM OF THE RANGE WILL NOT CHANGE, BUT THE
8 MAXIMUM WILL INCREASE BASED ON THE 2007 MERCER
9 75TH PERCENTILE SALARY DATA. SALARY RANGE SPREAD
10 IS CONSISTENT WITH EXECUTIVE LEVEL POSITIONS AT
11 THE UNIVERSITY OF CALIFORNIA AND ELSEWHERE.

12 SO, FOR EXAMPLE, WHAT WE DID HERE, FIRST
13 OF ALL, THE 75TH PERCENTILE MERCER DATA WAS USED
14 TO TARGET THE TOP OF THE CIRM SALARY RANGES FOR
15 LEVELS 9 AND 10 AND THE SCIENTIFIC OFFICER I AND
16 II. SO, FOR EXAMPLE, THE CHIEF SCIENTIFIC
17 OFFICER, YOU LOOK AT YOUR SPONSOR REPORT, AND THE
18 DATA THAT'S PROVIDED ON THE SPREADSHEET, THE 75TH
19 PERCENTILE SALARY DATA IS 392,867. THE MAXIMUM
20 FOR THE NEW RANGE THAT'S BEING PROPOSED IS A
21 SMIDGEON ABOVE AT 405,000. WE WILL NOT BE SEEKING
22 THAT LEVEL OF COMPENSATION, BUT WE DO WANT THE
23 FLEXIBILITY TO ATTAIN IT OVER TIME FOR EMPLOYEES
24 WHO ARE WITH US FOR SOME TIME WHO ARE ACHIEVING
25 SUPERLATIVE PERFORMANCE.

BARRISTERS' REPORTING SERVICE

1 ANOTHER EXAMPLE IS THE SCIENTIFIC
2 OFFICER II. THE 75TH PERCENTILE SALARY DATA FROM
3 THE MERCER SPONSOR REPORT FOR THE SENIOR
4 SCIENTIST, WHICH IS EQUIVALENT TO THE
5 SENIOR -- THE SCIENTIFIC OFFICER II IS 164,575.
6 THE NEW RANGE WAS ADJUSTED UP 10 PERCENT, BUT
7 REMAINED A 50-PERCENT SPREAD. THE OLD RANGE WAS
8 100,000 TO 150,000. THE NEW RANGE WE'RE PROPOSING
9 FOR THE SCIENTIFIC OFFICER II WOULD START AT
10 110,000 AND THE MAXIMUM WOULD BE 165,000, AGAIN A
11 SMIDGEON ABOVE THE 75TH PERCENTILE DATA PROVIDED
12 BY MERCER AT 164,575.

13 ARE THERE ANY QUESTIONS?

14 MS. KING: ACTUALLY BEFORE WE HAVE
15 QUESTIONS, COULD I JUST ASK, DR. HENDERSON, DID
16 YOU JOIN US?

17 DR. HENDERSON: YES. I THOUGHT YOU WERE
18 CALLING, BUT I DIDN'T.

19 MS. KING: SORRY ABOUT THAT. WHEN YOU
20 CALLED YESTERDAY, I THOUGHT YOU MIGHT DIAL IN
21 TODAY TOO.

22 DR. HENDERSON: I DID.

23 MS. KING: THANK YOU.

24 MS. LANSING: ALEXANDRA, ARE YOU DONE?

25 MS. CAMPE: I AM.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: SO WE TODAY HAVE
2 TO LOOK AT WHETHER WE WANT TO RECOMMEND THESE
3 SALARY RANGE CHANGES TO THE ICOC FOR APPROVAL.
4 AND I'D LIKE TO ASK THE MEMBERS OF THIS BOARD IF
5 THERE ARE ANY COMMENTS, AND I'M GOING TO GO
6 AROUND.

7 MY COMMENTS, I'LL START WITH MYSELF, IS
8 WE HAVE A LIMITED AMOUNT OF BUDGET FOR OVERHEAD
9 DUE TO THE PROPOSITION, SO THIS WOULDN'T CHANGE
10 OUR OVERALL OVERHEAD. IT WOULD JUST MEAN HOW WE
11 SHIFT THE MONEY; IS THAT CORRECT, ALEXANDRA?

12 MR. KLEIN: THAT'S CORRECT.

13 CHAIRPERSON LANSING: SO THEN LET ME ASK
14 FOR COMMENTS FROM UC DAVIS.

15 DR. POMEROY: THIS IS CLAIRE POMEROY. I
16 HAVE SOME SERIOUS CONCERNS ABOUT THESE SALARY
17 RANGES. I'M PERSONALLY QUITE SUPPORTIVE OF THE
18 PROPOSED INCREASES FOR SCIENTIFIC OFFICER I AND
19 II. I THINK THAT THESE ARE PEOPLE WITH PH.D.'S
20 WHO HAVE EXTENSIVE RESPONSIBILITIES, AND I THINK
21 THOSE RANGES STRIKE ME AS VERY APPROPRIATE, AND I
22 WOULD BE SUPPORTIVE.

23 MY CONCERNS COME IN THE LEVEL 9 AND
24 LEVEL 10 SALARY RANGES. I THINK THAT THE STATE IS
25 FACING A MAJOR BUDGET CRISIS, AND WE HAVE

BARRISTERS' REPORTING SERVICE

1 RESPONSIBILITY TO USE THESE FUNDS VERY WISELY.
2 WE'VE STATED THAT OUR PHILOSOPHY IS TARGETED
3 TOWARDS A CERTAIN PERCENTILE. THESE RANGES ARE
4 VERY BROAD. THEY GO VERY HIGH, AND I THINK THAT
5 SOME OF THE COMPARABLES THAT HAVE BEEN USED
6 CONCERN ME.

7 I WILL TAKE THE COMPARABLE OF THE DEAN
8 OF A SCHOOL OF MEDICINE. I'LL TAKE MYSELF AND
9 JUST SPEAK FOR MYSELF, WHICH IS THAT I HAVE
10 RESPONSIBILITY FOR 8,000 EMPLOYEES AT UC DAVIS.
11 TO SAY THAT AN INSTITUTION THAT IS RESPONSIBLE FOR
12 50 EMPLOYEES IS A COMPARABLE LEVEL OF COMPLEXITY
13 CONCERNS ME. I THINK THAT THIS IS SENDING THE
14 WRONG MESSAGE, THE LEVEL 9 AND 10 EXPANSION OF THE
15 SALARY RANGES. IT'S SENDING THE WRONG MESSAGE TO
16 THE PUBLIC ABOUT OUR PRIORITIES AND ABOUT HOW
17 WE'RE GOING TO SPEND OUR LIMITED POT OF MONEY.

18 SO I PERSONALLY, AT LEAST AT THIS POINT,
19 AM QUITE SUPPORTIVE OF THE PROPOSALS FOR THE
20 SCIENTIFIC OFFICER I AND II, BUT HAVE SIGNIFICANT
21 CONCERNS AND AM RIGHT NOW UNABLE TO SUPPORT THE
22 RECOMMENDATIONS FOR THE BROADER RANGES AT LEVELS 9
23 AND 10.

24 MR. KLEIN: SHERRY, THIS IS BOB KLEIN.
25 COULD I PROVIDE A COMMENT THAT'S RESPONSIVE TO

BARRISTERS' REPORTING SERVICE

1 CLAI RE' S CONCERN?

2 CHAI RPERSON LANSING: SURE.

3 MR. KLEIN: WELL, CLAI RE, AS YOU KNOW,
4 ON AN ISSUE OF FINANCI AL DISCIPLINE, WHEREAS
5 COMPARABLE NONPROFIT ORGANIZATI ONS OPERATE AT A
6 12-PERCENT OVERHEAD FACTOR, WE' RE OPERATING AT 5.9
7 PERCENT AS ON OVERHEAD FACTOR. AND, IN FACT, ON
8 AN HI STORICAL BASI S, WE' VE BEEN OPERATING
9 SUBSTANTIALLY BELOW THAT.

10 IN ADDITION, IT' S CLEAR THAT WE HAVE A
11 RETENTI ON PROBLEM WITH KEY PERSONNEL BECAUSE WE
12 LACK THE KIND OF PENSIO N ACCRUALS AND THE KIND OF
13 CAREER PATH BENEFIT S AS WELL AS THE OTHER DEFICIT S
14 IN OUR PROFESSIONAL ADVANCEMENT OPPORTUNITI ES THAT
15 EXIST IN MEDICAL SCHOOLS AND THE OTHER
16 INSTITUTI ONS. AND IN WRITING THE INITIATIVE, I
17 SPECIFICALLY INDEXED IT TO THESE INSTITUTI ONS TO
18 BE ABLE TO DEAL WITH THOSE DEFICIENCIES IN OUR
19 COMPETIT IVE POSITI ON AND GET THE TOP INDIVIDUALS.

20 AND WHI LE CERTAINLY IT IS THE COMPARABLE
21 PERSONNEL MANAGEMENT BY A MI LE WITH THE DEAN OF A
22 MEDICAL SCHOOL, WE' RE REALLY COUNTING ON THE CHIEF
23 OPERATING OFFICER AND THE CHIEF SCIENTIFIC
24 OFFICER, BOTH OF WHOM ALAN IN HI S ORGANIZATI ONAL
25 PLANS WANTS TO HAVE PH. D. ' S OR M. D. ' S TO LEAD US

BARRISTERS' REPORTING SERVICE

1 THROUGH A PATH THAT HAS BEEN BROKEN IN U. S.
2 MEDICINE, LEAD US IN A PATH TO ADVANCE THERAPIES
3 THAT ARE THROUGH A PERIOD OR THROUGH A PROCESS
4 WHERE THERAPY DEVELOPMENT HAS OPERATED POORLY OR
5 SLOWLY AND HAS A RADICAL SHORTFALL OF FUNDS. SO
6 WE'RE GOING TO HAVE TO MAKE SOME INCREDIBLY
7 INTELLIGENT DECISIONS ON THE EFFECTIVE PATH TO GET
8 THOSE THERAPIES TO THE CLINIC. WE'RE GOING TO
9 HAVE TO HAVE SOME INSPIRED LEADERSHIP THAT SPENDS
10 INNUMERABLE HOURS ON THE BEST PRACTICES FROM
11 AROUND THE WORLD.

12 SO IN TERMS OF SCIENTIFIC AND MEDICAL
13 INSIGHTS OF HOW TO BREAK THROUGH THIS PROCESS,
14 HOPEFULLY WITH THE GUIDANCE OF PEOPLE ON OUR BOARD
15 LIKE YOU WHO SIT ON MEDICAL SCHOOLS AND HAVE A
16 VAST KNOWLEDGE OF THIS AREA, WE'VE GOT SOME
17 INCREDIBLE CHALLENGES, BUT WITHOUT THE
18 PROFESSIONAL REWARDS OF PUBLICATION OR DEANSHIPS,
19 ETC., THAT THEY WOULD OTHERWISE HAVE.

20 SO WE ALSO HAVE THE PROBLEM THAT WE KNOW
21 THAT RELOCATING PEOPLE FROM OUT OF THE STATE WILL
22 HAVE A RADICAL IMPACT BECAUSE OF HOUSING PRICES IN
23 THE BAY AREA. SO THE CONCERN IS IN TERMS OF OUR
24 MISSION OBJECTIVES, COMING FROM A PATIENT
25 ADVOCATE, IF WE DON'T GET TO THE CLINIC, WE'RE NOT

BARRISTERS' REPORTING SERVICE

1 GOING TO ACHIEVE OUR GOALS. AND SO TO PAY THESE
2 PEOPLE IN THE CONTEXT OF THESE SALARIES THAT
3 MERCER HAS COME UP WITH, WHILE THE DUTIES ARE
4 DIFFERENT, IT STILL INSPIRED SOME INSPIRED
5 INTELLECTUAL CAPACITY AND SOME LUCK, FRANKLY, AND
6 WE'VE BEEN OPERATING AT A SUBSTANTIALLY LOWER THAN
7 BUDGET LEVEL.

8 IN ADDITION, WE'VE ATTRACTED DONOR MONEY
9 TO THIS AGENCY SO THAT THE STATE, ON AN EFFECTIVE
10 BASIS AGAINST WHAT WE'RE SUPPOSED TO BE OPERATING
11 AT, HAS HAD A RELATIVE BARGAIN SHOWING FISCAL
12 CONSTRAINT. BUT I WOULD REALLY URGE THAT TO GET
13 THE PEOPLE, THE PH.D.'S AND M.D.'S, AT THIS TOP
14 LEVEL THAT WE NEED FOR THIS INSPIRED LEADERSHIP,
15 THAT WE CONSIDER THIS AS SOMETHING THAT WE REALLY
16 DO NEED TO COMMIT OURSELVES TO.

17 DR. POMEROY: BOB, I DON'T WANT TO
18 DOMINATE ALL OF THE DISCUSSION, BUT I WOULD JUST
19 LIKE TO BRIEFLY RESPOND. I CELEBRATE THE FACT
20 THAT WE HAVE OPERATED WITH EFFICIENCY IN OUR
21 OVERHEAD, AND I'M QUITE PROUD OF THAT. I WOULD
22 SAY THAT THE SKILLS THAT ARE REQUIRED FOR THIS ARE
23 VERY IMPORTANT. I AGREE WITH YOU. I THINK THERE
24 ARE COMPARABLES, FOR INSTANCE, DEANS OF COLLEGES
25 OF BIOLOGICAL SCIENCES OR VICE CHANCELLORS FOR

BARRISTERS' REPORTING SERVICE

1 RESEARCH THAT MIGHT BE MUCH MORE COMPARABLE TO THE
2 EXPECTATIONS OF THESE TOP LEVEL POSITIONS. AND IF
3 YOU LOOK AT THOSE RANGES IN THE UNIVERSITY OF
4 CALIFORNIA, THEY'RE MUCH LOWER.

5 AND SO I HAVE TO TAKE MY RESPONSIBILITY
6 FOR HOW WE USE OUR FUNDS AND BE COGNIZANT OF THE
7 FEEDBACK THAT I'VE RECEIVED FROM THE PUBLIC ABOUT
8 WHAT THEY THINK IS AN APPROPRIATE RANGE OF
9 SALARIES. AND I'M WILLING TO LISTEN, BUT AT THIS
10 POINT I CAN'T CHANGE MY POSITION.

11 MR. KLEIN: OKAY. AND APPRECIATING
12 THAT, CLAIRE, MY POINT WOULD BE THE VICE
13 CHANCELLOR FOR RESEARCH WOULD HAVE A CAREER PATH
14 OPPORTUNITY TO BECOME A DEAN OR THE VICE
15 CHANCELLOR FOR RESEARCH AND WOULD HAVE PENSION
16 BENEFITS THAT, BECAUSE OF OUR LIMITED LIFE SPAN,
17 WE CAN'T DELIVER ON. AND BECAUSE OF OUR CONFLICT
18 OF INTEREST POLICIES THAT ARE STRICTER THAN AT ANY
19 UC SCHOOL, WE HAVE DIVESTMENTS OF STOCK IN ANY
20 COMPANY THAT HAS STEM CELL RESEARCH, AND YET WE'RE
21 RECRUITING PEOPLE SPECIFICALLY FROM THE STEM CELL
22 RESEARCH FIELD HOPEFULLY WITH SOME EXPOSURE TO NEW
23 COMPANY FORMATIONS AND TRANSLATIONAL MEDICINE. SO
24 WE HAVE RESTRICTIONS AND LACK OF BENEFITS AND LACK
25 OF CAREER PROGRESSION THAT I DON'T THINK IS

BARRISTERS' REPORTING SERVICE

1 COMPARABLE.

2 CHAIRPERSON LANSING: LET'S RESPOND.

3 COULD I HAVE COMMENTS FROM IRVINE, PLEASE.

4 DR. STEWARD: YEAH. THIS IS OS. SO CAN
5 YOU HEAR ME?

6 CHAIRPERSON LANSING: YES.

7 DR. STEWARD: I JUST TOOK MYSELF OFF
8 SPEAKER HERE AND WANTED TO MAKE SURE I WAS COMING
9 THROUGH. SO LET ME SAY THAT I SHARE SOME OF
10 CLAIRE'S, MOST OF CLAIRE'S CONCERNS. THIS IS A
11 MATTER OF PUBLIC PERCEPTION, THAT WE DO NEED TO
12 STAY WITHIN A RANGE OF ACTUAL SALARIES THAT ARE
13 WITHIN A COMFORT LEVEL, I THINK, THAT PEOPLE WILL
14 FEEL GOOD ABOUT.

15 HAVING SAID THAT, I GUESS I COME DOWN ON
16 A SLIGHTLY DIFFERENT PLACE IN TERMS OF WHAT WE'RE
17 TALKING ABOUT HERE. WHAT WE'RE TALKING ABOUT HERE
18 IS A RANGE, NOT ACTUALLY MAKING AN OFFER AT THAT
19 RANGE. AND I THINK THAT'S AN IMPORTANT
20 DISTINCTION. SO I WOULD SAY THAT IT IS OF UTMOST
21 IMPORTANCE TO BE ABLE TO RECRUIT EXTRAORDINARY
22 PEOPLE OF THE HIGHEST LEVEL OF ABILITY AND TO BE
23 ABLE TO MAKE THEM A COMPETITIVE OFFER, BUT THAT IT
24 TRULY WILL REQUIRE AN EXTRAORDINARY PERSON TO
25 QUALIFY FOR THE UPPER LEVELS OF THE SALARY RANGE

BARRISTERS' REPORTING SERVICE

1 THAT WE'RE TALKING ABOUT.

2 SO I CERTAINLY THINK THAT THAT RANGE
3 OUGHT TO BE AVAILABLE IF SUCH AN EXTRAORDINARY
4 PERSON CAME ALONG, BUT I THINK THAT THAT WOULD BE
5 AN EXCEEDINGLY RARE EVENT, AND THAT MUCH MORE
6 OFTEN, EVEN WITH A HIGHLY QUALIFIED PERSON THAT WE
7 REALLY WANTED TO RECRUIT, I THINK THAT I WOULD
8 FIND MYSELF UNWILLING TO GO VERY FAR UP INTO THAT
9 RANGE BEYOND WHERE WE ARE RIGHT NOW.

10 CHAIRPERSON LANSING: OS, I JUST WANT TO
11 MAKE A COMMENT. TWO THINGS THAT I WOULD LIKE TO
12 ASK FOR. I WOULD LIKE TO ASK THAT WE HAVE THE
13 COMPARABLES FOR, CLAIRE, IF YOU CAN REITERATE WHAT
14 YOU THOUGHT WAS THE COMPARABLE JOB. THE VICE
15 CHANCELLORS, I THINK, IS WHAT YOU SAID.

16 DR. POMEROY: I MENTIONED BOTH THE DEANS
17 OF THE COLLEGES OF BIOLOGICAL SCIENCES AND THE
18 VICE CHANCELLORS FOR RESEARCH IN THE UC SYSTEM.

19 CHAIRPERSON LANSING: I'D LIKE TO SEE
20 THOSE COMPARABLES, WHICH WE SHOULD BE ABLE TO GET
21 SINCE ALL WE'RE DOING IS DISCUSSING THIS ITEM
22 SINCE WE CAN'T REALLY VOTE ON IT.

23 DR. TROUNSON: SHERRY, ALAN TROUNSON. I
24 WONDER IF I COULD MAKE A COMMENT ABOUT IT.

25 CHAIRPERSON LANSING: YES. SURE. I

BARRISTERS' REPORTING SERVICE

1 ALSO HAD A SECOND REQUEST WHICH I WANT TO JUST GET
2 CLARIFICATION ON, WHICH IS THAT THE WAY I
3 UNDERSTAND THIS, AND I WANT TO BE CLEAR, IS THIS
4 IS THE RANGE, AND IT IS TO THE DISCRETION OF THE
5 PRESIDENT. HE DOES NOT HAVE TO COME BACK TO US
6 FOR APPROVAL, SO I THINK THAT'S AN IMPORTANT THING
7 TO NOTE.

8 DR. HENDERSON: ARE WE GOING TO HEAR
9 COMMENT FROM ALL THE MEMBERS OF THE BOARD?

10 CHAIRPERSON LANSING: I'M GOING AROUND.
11 SO THAT WAS -- I'M SORRY. I WANT TO BE SURE. I
12 DID DAVIS. I DID IRVINE.

13 MR. HARRISON: SHERRY, IT'S JAMES
14 HARRISON. COULD I JUST CLARIFY YOUR LAST COMMENT?

15 CHAIRPERSON LANSING: YES.

16 MR. HARRISON: UNDER THE CIRM
17 COMPENSATION PROGRAM, THE PRESIDENT WOULD STILL BE
18 REQUIRED TO GO TO THE GOVERNANCE SUBCOMMITTEE IF
19 HE WANTS TO SET AN INDIVIDUAL'S SALARY AT 80
20 PERCENT OF THE MINIMUM IN THAT RANGE. AND IF HE
21 WANTS TO SET SALARY ABOVE THE RANGE, IT WOULD
22 REQUIRE APPROVAL FROM THE ICOC.

23 CHAIRPERSON LANSING: BY INCREASING THE
24 RANGE, YOU'RE GOING UP -- IF I DO THE QUICK MATH,
25 BY INCREASING THE RANGE, THE LAST NORMAL RANGE

BARRISTERS' REPORTING SERVICE

1 WOULD BE HIGHER THAN IF YOU WENT TO THE 80
2 PERCENT.

3 MR. HARRISON: THAT'S CORRECT.

4 CHAIRPERSON LANSING: THAT'S ALL I
5 WANTED TO MAKE CLEAR. OKAY. SO THAT'S ALL I
6 WANTED TO MAKE CLEAR. I'M NOT COMMENTING ONE WAY
7 OR THE OTHER. AND ACTUALLY I'M GOING TO GO TO
8 DOWNTOWN L.A., WHICH IS REALLY BRIAN.

9 DR. HENDERSON: I'M HERE. I'M
10 UNCOMFORTABLE WITH THE NEW RANGES. I WOULD PREFER
11 WE KEEP SOME OF THE EXISTING RANGES FOR 10 AND 9,
12 RECOGNIZING THAT IN AN EXCEPTIONAL CIRCUMSTANCE WE
13 CAN MAKE A RECOMMENDATION AND HAVE AN ADEQUATE
14 JUSTIFICATION WHEN WE DO IT FOR DEVIATING FROM
15 THAT RANGE. BUT TO PUBLISH RANGES AT THIS LEVEL
16 WITHOUT A BETTER RATIONALE, GIVEN MY SORT OF
17 AGREEMENT WITH CLAIRE ABOUT THE COMPARABLE
18 POSITIONS AND RESPONSIBILITIES OF THIS POSITION TO
19 THOSE IN ACADEMIC MEDICINE OR IN THE ACADEMIC
20 SETTING IN GENERAL, I SUPPORT CLAIRE'S VIEW THAT I
21 COULD NOT VOTE TO HAVE THE NEW SALARY RANGES AT
22 THIS TIME. GIVEN THE FACT WE CAN ALWAYS, IF WE
23 NEED TO, MAKE AN EXCEPTION AND EXPLAIN WHY TO THE
24 PUBLIC.

25 CHAIRPERSON LANSING: ALL RIGHT. I

BARRISTERS' REPORTING SERVICE

1 RESPECT THAT. AND NOW I WOULD GO TO SAN
2 FRANCISCO.

3 MR. KLEIN: BEFORE WE GO TO SAN
4 FRANCISCO, COULD WE HAVE DR. TROUNSON'S COMMENT?

5 CHAIRPERSON LANSING: ALL RIGHT. I
6 ASSUMED HE WAS IN SAN FRANCISCO. OF COURSE.

7 DR. TROUNSON: THANKS. I JUST WANTED TO
8 MAKE IT CLEAR THAT WE WERE REQUIRED TO PRODUCE
9 THESE NEW RANGES BY THE BSA AUDIT, SO WE DIDN'T
10 HAVE A CHOICE. WE HAD TO ACTUALLY REDO THEM, SO
11 THEY'RE THERE FROM THE PROFESSIONAL GROUP.

12 NOW, THE KEY PART ABOUT THIS WE NEED TO
13 REFLECT ON IS THAT I'M ALREADY OUTSIDE THE RANGE,
14 SO YOU MUST HAVE MADE A DECISION SOMEWHERE ALONG
15 THE LINE TO DO THAT. SO NOT SORT OF DISCUSSING
16 THAT, BUT WHAT I NEED TO DO IS GET SOMEBODY
17 APPOINTED, AND WE'VE IDENTIFIED THAT PERSON WHO IS
18 A HIGHLY SKILLED CLINICAL PERSON THAT WE NEED TO
19 DRIVE THE MISSION OF THIS INSTITUTE. AND IT'S NOT
20 GOING TO HAPPEN BEING DRIVEN BY A BASIC SCIENTIST
21 LIKE ME. I MEAN WE COULD GET THERE, BUT WHAT YOU
22 NEED TO DO IS HAVE A REALLY GOOD PERSON WHO WILL
23 TAKE THE TRANSLATION ON THE CLINICAL SIDE AND
24 DRIVE IT TO THE END AS QUICKLY AND AS EFFICIENTLY
25 AS POSSIBLE.

BARRISTERS' REPORTING SERVICE

1 AND I'VE IDENTIFIED A PERSON, I'VE
2 TALKED ABOUT THAT PERSON, AT A SALARY LEVEL THAT'S
3 PROPOSED AND WAS OFFERED TO THAT PERSON SUBJECT TO
4 APPROVAL BY THE ICOC AT 310,000, BUT THAT'S, IN
5 FACT, OUT OF THE RANGE AT THE MOMENT. SO THE
6 PROBLEM HERE IS THAT YOU CAN'T REALLY GET THE
7 RIGHT PEOPLE IF YOU'RE ACTUALLY CONSTRAINED. YOU
8 CAN'T ACTUALLY TALK TO THEM. THEY WON'T EVEN GIVE
9 YOU THOUGHTS ABOUT SORT OF TAKING UP A POSITION
10 LIKE THIS. THERE'S A BREVITY TO THE CIRM THERE IS
11 YOU GIVE UP YOUR CLINICAL WORK, YOU GIVE UP YOUR
12 SCIENTIFIC WORK.

13 THIS IS NOT -- IT'S NOT JUST A SIMPLE
14 MATTER. WE NEED TO DRIVE THIS MISSION. YOU CHOSE
15 ME TO DRIVE IT. I NEED SOME PEOPLE TO DRIVE, AND
16 I'VE IDENTIFIED THAT WE WANT AT LEAST TWO KEY
17 PEOPLE. ONE OF THEM IS A SCIENTIST AND A MEDICAL
18 GRADUATE AS SOMEBODY WHO'S REALLY GOING TO DRIVE
19 THE TRANSLATIONAL PART AND TO DELIVER THE
20 OPPORTUNITY THE STEM CELLS ARE OFFERING US. AND
21 IT'S NOT GOING TO HAPPEN UNLESS WE'VE GOT THAT. I
22 MEAN THE CONSULTING, TO HAVE PEOPLE TO DO THAT,
23 WOULD BE FAR IN EXCESS OF THOSE SALARIES.

24 BUT THE OTHER THING IS CANDY AND MERCY
25 AND I AM SITTING IN THE OFFICE DOING THE WORK OF

BARRISTERS' REPORTING SERVICE

1 A COO, THE PROCESS WORK. NOW, YOU DIDN'T APPOINT
2 ME TO DO THAT. YOU KNOW, YOU DON'T NEED THAT.
3 YOU APPOINTED ME TO GET THIS WORK TO THE END
4 POINT. AND WHAT I'M SAYING IS THAT WE NEED
5 SOMEBODY INTERNALLY THAT WILL ACTUALLY MARSHAL THE
6 PEOPLE THAT WE'VE GOT THERE AND TO MAINTAIN THE
7 ACCELERANT WHILE WE GO -- WHILE I GO OUT AND FILL
8 THE HOLE, FIND OUT THE PROBLEMS, AND ACTUALLY MAKE
9 IT ALL HAPPEN.

10 SO I'M SAYING THAT I THINK, YOU KNOW, AS
11 PRESIDENT YOU HAVE TO -- I'M REALLY ASKING FOR YOU
12 TO SAY, WELL, LOOK. OKAY. HE'S ON BOARD. WE
13 HAVE TO DO THE RIGHT THING, AND WE'LL KEEP IT TO
14 THE MINIMUM; BUT IF I CAN'T MAKE APPOINTMENTS OF
15 APPROPRIATE PEOPLE THAT I CAN TRUST AND THAT I CAN
16 FEEL WILL DO THAT JOB, IT ESSENTIALLY WASTED MY
17 SALARY, WHICH IS A DISASTER BECAUSE YOU JUST HAVE
18 TO GET THIS IN A REASONABLE PERSPECTIVE.

19 MR. KLEIN: THIS IS BOB KLEIN. I'D LIKE
20 TO SECOND EVERYTHING ALAN HAS SAID, AND IN
21 ADDITION SAY TO YOU THAT, WITHOUT DISCLOSING
22 NAMES, I'VE SAT IN ON A LOT OF CSO AND COO
23 INTERVIEWS. AND HAVING THESE PEOPLE GIVE UP THEIR
24 SCIENTIFIC RESEARCH AND GIVE UP THEIR MEDICAL
25 PRACTICE INCOME IS A HUGE SACRIFICE. ON A TOTAL

BARRISTERS' REPORTING SERVICE

1 INCOME BASIS, WE'RE ASKING PEOPLE TO GIVE UP A
2 CAREER IN MEDICAL RESEARCH AND INCOME AND MOVING
3 THEM INTO ONE OF THE HIGHER PRICED AREAS, IN THE
4 HIGHEST PRICED STATE IN THE COUNTRY, FRANKLY.

5 SO FROM A PATIENT POINT OF VIEW, YOU
6 KNOW, THE PUBLIC PERCEPTION IS -- THE PUBLIC
7 PERCEPTION IS IMPORTANT. WHAT'S MORE IMPORTANT IS
8 OUR MISSION. IF WE FAIL IN OUR MISSION, THEN WE
9 FAILED THE PUBLIC. AND NOT TO GIVE THE PRESIDENT
10 THE SALARY RANGES TO RECRUIT THE TOP PEOPLE IN
11 THIS FIELD FROM THE NATION IS A MAJOR FAILURE IN
12 OUR PERFORMANCE AND OUR OBLIGATION TO THE PUBLIC.

13 I FRANKLY FEEL THAT GOVERNMENT STUMBLES
14 OVER ITSELF IN TRYING TO LOOK AT PERCEPTION
15 INSTEAD OF THE DELIVERY ON THE MISSION. AND THAT
16 MAY SEEM LIKE A PRETTY STRIDENT COMMENT; BUT FROM
17 A PATIENT ADVOCACY POSITION, IF WE DON'T HAVE THE
18 PERSONNEL THAT'S WILLING TO COMMIT HUGE AMOUNTS OF
19 TIME AND ENERGY IN AN ORGANIZATION THAT, INSTEAD
20 OF HAVING FIVE STAFF PEOPLE, THEY'VE GOT TWO FOR A
21 JOB THAT REALLY COULD SUIT FIVE PEOPLE, I THINK
22 WE'VE UNDERESTIMATED THE WORKLOAD, WE'VE
23 UNDERESTIMATED THE SACRIFICES PROFESSIONALLY AND
24 SCIENTIFICALLY AND MEDICALLY WE'RE ASKING THEM TO
25 GIVE, AND WE'RE NOT SUPPORTING THE PRESIDENT IN

BARRISTERS' REPORTING SERVICE

1 THE MISSION.

2 IF WE GET DOWN TO YEAR SEVEN AND IF
3 WE'RE NOT INTO SOME MAJOR CLINICAL TRIALS, THERE'S
4 GOING TO BE A HUGE AMOUNT OF DISAPPOINTMENT, AND
5 RIGHTLY SO, BECAUSE WE WILL HAVE FAILED THE PEOPLE
6 OF THIS STATE. SO TO ECONOMIZE ON CRITICAL
7 PERSONNEL IN THIS PROCESS AND LET DOWN THE MISSION
8 IS UNACCEPTABLE TO ME AS A PATIENT.

9 I REALIZE THAT IF WE COULD RECRUIT
10 SOMEBODY INTO A VICE PRESIDENT OR VICE CHANCELLOR
11 OF RESEARCH AND THEY COULD BE IN A CAREER PATH FOR
12 15 YEARS AND THEY COULD POTENTIALLY MAINTAIN THEIR
13 NIH GRANTS AND THEY COULD HAVE A CLINICAL
14 PRACTICE, THAT WE MIGHT BE DEALING WITH VERY
15 DIFFERENT SALARIES. THAT'S NOT THE FACT HERE.
16 AND WE HAVE TO REALIZE THERE IS A UNIQUE
17 STRUCTURE. IT REQUIRES UNIQUE SACRIFICES, AND WE
18 HAVEN'T TAKEN THOSE INTO ACCOUNT. AND IF IT MEANS
19 THAT WE HAVE TO STAND UP AND TAKE SOME -- ANSWER
20 SOME TOUGH QUESTIONS, THEN WE HAVE TO DO THAT.
21 THAT'S PART OF OUR MISSION.

22 BUT THE MERCER STUDY WAS DONE BY AN
23 INDEPENDENT GROUP, NOT BY US. AND TO GIVE THE
24 PRESIDENT THE RANGE THEY NEED TO WORK WITH AND
25 HAVE THEM COME BACK IF THEY'RE OVER 80 PERCENT OF

BARRISTERS' REPORTING SERVICE

1 THIS RANGE, IF IT REQUIRES AN EXCEPTIONAL PERSON,
2 HE'S GOING TO HAVE TO JUSTIFY IT, BUT AT LEAST IT
3 GIVES HIM THE RANGE TO WORK IN BECAUSE WITHOUT
4 THAT RANGE WE'RE NOT GOING TO GET THE COO'S AND
5 CSO'S WE'RE INTERVIEWING. IT'S NOT GOING TO
6 HAPPEN.

7 CHAIRPERSON LANSING: ALL RIGHT. I
8 THINK -- IS THERE ANYONE IN HAWAII?

9 DR. HENDERSON: NO. THAT'S ME, BRIAN.

10 CHAIRPERSON LANSING: OKAY. SO THEN
11 WHAT I'D LIKE TO DO IS REALLY ASK FOR COMMENTS
12 FROM THE PUBLIC. IN CENTURY CITY, ANY COMMENTS
13 FROM THE PUBLIC? JOHN.

14 MR. SIMPSON: JUST ME. I WANTED TO
15 HEARTILY AGREE WITH DR. POMEROY AND DR. HENDERSON.
16 I DON'T THINK THAT THESE MERCER COMPARABLES ARE
17 TRULY COMPARABLE IN TERMS OF RESPONSIBILITY. I
18 HAVE SERIOUS DOUBTS ABOUT WHETHER YOU SHOULD
19 PERHAPS BE LOOKING AT SOMETHING LIKE THE NIH.

20 AND THE OTHER THING THAT STRIKES ME AS
21 VERY RELEVANT WAS THAT YOU WERE ABLE TO RECRUIT
22 EXCEPTIONALLY FINE PEOPLE UNDER THE EARLIER
23 SCHEDULES THAT YOU HAD. TO THE BEST OF MY
24 KNOWLEDGE, AND HAVING VARIOUS CONVERSATIONS WITH
25 PEOPLE WHO HAVE DEPARTED, NONE OF THAT STEMMED

BARRISTERS' REPORTING SERVICE

1 FROM SALARY.

2 THE OTHER THING ABOUT THIS IS IT HAS TO
3 DO WITH TIMING. ON THE SAME DAY THAT THE STATE,
4 IT'S BEING ANNOUNCED THAT WE FACE A \$16 BILLION
5 BUDGET DEFICIT IS HARDLY THE DAY TO BE RAISING
6 YOUR SALARY RANGES 50 PERCENT.

7 FINALLY, I WOULD ALSO NOTE THAT BESIDES
8 THE RANGES, THERE ARE THINGS THAT HAPPEN THAT SEEM
9 A LITTLE BIT OVER THE TOP WITH ACTUAL SALARIES.
10 YOUR GENERAL COUNSEL WAS HIRED AT \$160,000, WHICH
11 IS ABOUT WHAT THE CHIEF DEPUTY ATTORNEY GENERAL
12 FOR THE STATE MAKES, WHICH, OKAY, THAT MIGHT BE
13 POSSIBLE. SHE GOT A RAISE OF 41 PERCENT OR
14 \$65,000 AFTER TEN MONTHS ON THE JOB AND IS NOW
15 MAKING MORE THAN THE STATE'S ATTORNEY GENERAL.

16 TO SAY THAT PEOPLE ARE NOT PART OF A
17 PENSION PLAN, I DON'T UNDERSTAND THAT. THEY'RE
18 GETTING STATE PENSIONS WHICH ARE PORTABLE TO OTHER
19 STATE JOBS. THIS IS ON THE FACTS OVER THE TOP AND
20 INAPPROPRIATE, BUT FROM A PUBLIC RELATIONS POINT
21 OF VIEW IT'S EVEN WORSE. THANK YOU.

22 CHAIRPERSON LANSING: THANK YOU, JOHN.
23 UCLA, ANY MEMBERS OF THE PUBLIC? IRVINE, ANY
24 MEMBERS OF THE PUBLIC?

25 DR. STEWARD: NO PUBLIC.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: DAVIS?

2 DR. POMEROY: NO COMMENT. WE DO HAVE A
3 MEMBER OF THE PUBLIC, BUT NO COMMENT.

4 CHAIRPERSON LANSING: SAN FRANCISCO, ANY
5 PUBLIC COMMENT?

6 MR. REED: YES. THIS IS DON REED.

7 CHAIRPERSON LANSING: HI, DON.

8 MR. REED: HI. LIKE OS AND CLAIRE, I
9 SPENT MY ADULT CAREER AS A MEMBER OF THE PUBLIC
10 SCHOOL SYSTEM. I DON'T THINK IT'S A GOOD EXAMPLE
11 BECAUSE THE PUBLIC SCHOOL SYSTEM IS NOTORIOUSLY
12 UNDERPAID. IT'S TERRIBLY UNDERPAID. I DON'T
13 THINK THAT WE SHOULD TAKE SOMETHING THAT IS SO
14 UNBELIEVABLY IMPORTANT AS THIS AND JUDGE IT BY
15 THAT. I THINK WE HAVE TO LOOK AT THE ENTIRE
16 INDUSTRY AND COMPARE IT TO THAT.

17 IT'S BEEN A MISTAKE ALL ALONG NOT TO
18 INCLUDE A HOUSING ALLOWANCE. SO IF WE CANNOT HAVE
19 A HOUSING ALLOWANCE FOR THIS HIGHEST, MOST HUGE
20 COST OF LIVING, THEN I'D SAY WE HAVE TO FIND A
21 DIFFERENT WAY TO PAY THE PEOPLE FOR THESE
22 EXCEPTIONAL COSTS THAT THEY WILL INCUR AS THEY
23 COME TO MEET THIS INCREDIBLE JOB.

24 MR. KLEIN: IN TERMS OF THE QUESTION
25 ABOUT THE PENSION FUND, IT TAKES FIVE YEARS TO

BARRISTERS' REPORTING SERVICE

1 VEST FOR YOUR PENSION. NOW, THE PROBLEM IS WE
2 HAVE A VERY LIMITED LIFE, AND WE HAVE NO UPWARD
3 MOBILITY, WHICH MEANS THAT MANY OF THESE PEOPLE
4 WILL COME IN AND SERVE FOR THREE YEARS AND THEY'LL
5 LEAVE BEFORE THEY CAN VEST THEIR PENSION, SO
6 WITHOUT ANY ABILITY TO DO SCIENTIFIC RESEARCH,
7 WITHOUT THE ABILITY TO DO MEDICAL PRACTICE, AND
8 WITHOUT THE ABILITY TO DO CAREER ADVANCEMENT. YOU
9 KNOW, IF PEOPLE WILL TAKE THREE YEARS OUT OF THEIR
10 LIFE, WHICH MAY INTERRUPT THEIR CAREER CYCLES
11 SUBSTANTIALLY, IT'S A MAJOR SACRIFICE, AND THEY
12 WON'T BE THERE LONG ENOUGH TO VEST THEIR PENSION
13 PROGRAM.

14 CHAIRPERSON LANSING: THANK YOU, BOB.
15 ANY PUBLIC COMMENT IN HAWAII?

16 DR. HENDERSON: NO.

17 CHAIRPERSON LANSING: ALL RIGHT. I
18 WOULD LIKE TO REFRAME THE QUESTION BECAUSE WE'RE
19 GOING TO GET A SENSE OF THIS COMMITTEE. AND,
20 JAMES, PERHAPS YOU CAN HELP ME. AS I'VE LISTENED
21 TO THE COMMITTEE, IT SEEMS WE CAN PRESENT THE
22 PROPOSAL AS IT IS, BUT IT ALSO SEEMS THAT PERHAPS,
23 AS I'M SENSING THAT THERE ARE MEMBERS OF THIS
24 GOVERNANCE SUBCOMMITTEE THAT WOULD LIKE -- THAT
25 THEY WOULD LIKE TO LEAVE THE SALARY RANGES ALONE,

BARRISTERS' REPORTING SERVICE

1 BUT TO KEEP OPEN THE ABILITY TO GO OVER THE SALARY
2 RANGE FOR EXCEPTIONAL INDIVIDUALS.

3 AND THEN I THINK -- AND I'M VERY
4 SENSITIVE TO WHAT DR. TROUNSON SAID -- THERE HAS
5 TO BE A MECHANISM WHERE HE DOESN'T LOSE SOMEBODY,
6 THAT WE WOULD GRANT HIM THAT ABILITY. AND SO THE
7 QUESTION IS HOW QUICKLY CAN SOMETHING LIKE THAT BE
8 OBTAINED? DO YOU KNOW? IN A CORPORATION YOU CAN
9 SIMPLY, IF YOU HAVE A SALARY RANGE, GO TO THE CEO
10 AND MAKE YOUR CASE AND GET AN EXCEPTION. WE DON'T
11 WANT TO HAVE TO MAKE SOMEBODY WAIT THREE MONTHS OR
12 SOMETHING LIKE THAT BECAUSE THEN YOU WOULD LOSE
13 THE PERSON. SO IT SEEMS TO ME, JAMES, CAN I HAVE
14 A LITTLE HELP BECAUSE --

15 MR. HARRISON: SURE.

16 CHAIRPERSON LANSING: -- I'M SENSING
17 THAT A LOT OF PEOPLE ARE UNCOMFORTABLE WITH THIS,
18 BUT NOBODY, IT SEEMS, IS UNCOMFORTABLE WITH PAYING
19 THE RIGHT AMOUNT OF MONEY EVEN IF IT IS ABOVE A
20 SALARY RANGE FOR AN EXCEPTIONAL PERSON.

21 MR. HARRISON: SHERRY, I'D BE HAPPY TO
22 RESPOND. UNDER CIRM'S CURRENT COMPENSATION
23 PROGRAM, THE PRESIDENT HAS AUTHORITY TO SET
24 COMPENSATION ON HIS OWN WITHIN THE RANGE; HOWEVER,
25 IF THE PRESIDENT WANTS TO OFFER A SALARY TO

BARRISTERS' REPORTING SERVICE

1 EMPLOYEES IN LEVELS 6 THROUGH 10 AT 80 PERCENT OR
2 MORE OF THE MINIMUM RANGE, THEN HE MUST OBTAIN
3 GOVERNANCE SUBCOMMITTEE APPROVAL. AND IF HE WANTS
4 TO OFFER A SALARY TO AN EMPLOYEE AT MORE THAN 100
5 PERCENT OF THE RANGE, IT REQUIRES ICOC APPROVAL.

6 FOR THE PRESIDENT TO ACT AT 80 PERCENT
7 TO 100 PERCENT CURRENTLY, IT WOULD REQUIRE
8 CONVENING A MEETING OF THE GOVERNANCE SUBCOMMITTEE
9 AND HAVING A QUORUM, WHICH WOULD CURRENTLY BE SIX
10 MEMBERS PRESENT, TO MAKE THAT DECISION. AND
11 MELISSA CAN PROBABLY GIVE YOU A BETTER SENSE THAN
12 I --

13 CHAIRPERSON LANSING: I UNDERSTAND THAT,
14 BUT WHAT I GUESS I'M TRYING TO DO IS I SENSE, AS
15 I'M LISTENING TO THE COMMENTS, THAT THIS ITEM AS
16 PRESENTED IS NOT GOING TO PASS. IT'S GOING TO BE
17 SPLIT. I'M LISTENING TO EVERYBODY. PEOPLE ARE
18 PRETTY HONEST. SO WHAT I'M ALSO HEARING FROM VERY
19 RESPONSIBLE FELLOW MEMBERS IS WHAT THEY'RE SAYING
20 IS WE DON'T MIND YOU GOING AND WE DO NOT WANT TO
21 TIE THE HANDS OF THE PRESIDENT. SO ISN'T THERE
22 SOME WAY THAT WHEN YOU HAVE TO GO ABOVE THE LEVEL,
23 WHICH DR. TROUNSON IS SAYING HE KNOWS ALREADY HE'S
24 GOING TO HAVE TO DO, THAT THERE'S A QUICKER WAY TO
25 DO IT?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: WELL, WE COULD CERTAINLY
2 THINK ABOUT THAT. ONE OF THE OBSTACLES WE FACE
3 OBVIOUSLY IS BAGLEY-KEENE, WHICH REQUIRES TEN DAYS
4 NOTICE BEFORE HOLDING A MEETING. AND THEN I THINK
5 THE PRIMARY OBSTACLE, FRANKLY, IS OBTAINING A
6 QUORUM OF EITHER THE GOVERNANCE SUBCOMMITTEE OR
7 THE ICOC BECAUSE THE MEMBERS OF BOTH THE
8 SUBCOMMITTEE AND THE BOARD ARE OBVIOUSLY VERY BUSY
9 PEOPLE. SO I GUESS THAT WOULD LIKELY BE THE
10 GREATEST --

11 CHAIRPERSON LANSING: WELL, THEN, THAT'S
12 NOT GOING TO WORK BECAUSE, YOU KNOW, WHEN YOU'RE
13 TRYING TO GET SOMEONE, IF YOU HAVE TO WAIT THAT
14 LONG, I'M TALKING TO CLAIRE AND BRIAN, THEN WE
15 HAVE A PROBLEM, RIGHT?

16 DR. HENDERSON: YEAH. BRIAN HERE. I
17 REALIZE THAT -- FIRST OF ALL, THIS INVOLVES A VERY
18 SMALL NUMBER OF HIRES. SECONDLY, WE'RE TRYING TO
19 BALANCE THE REAL NEEDS -- I'M SORRY. YOU WANT TO
20 GO ON?

21 CHAIRPERSON LANSING: NO. NO. I HAVE
22 ANOTHER THOUGHT BECAUSE I'M TRYING --

23 DR. HENDERSON: OKAY.

24 CHAIRPERSON LANSING: -- TO GET THE
25 SENSE OF WHERE WE COULD GET SOME -- I UNDERSTAND

BARRISTERS' REPORTING SERVICE

1 EVERYTHING YOU'RE SAYING, I REALLY DO, AND
2 PERCEPTION. AND I UNDERSTAND THE MEMBER OF THE
3 PUBLIC, JOHN SIMPSON WHO SPOKE. I UNDERSTAND
4 EVERYTHING, AND I ALSO UNDERSTAND THE NEED TO GET
5 THAT EXCEPTIONAL PERSON.

6 SO THEN I GUESS THE OTHER THING I COULD
7 ASK SINCE, DR. TROUNSON, YOU SAID THESE ARE
8 MERCER'S RANGES, IS THERE ANY WAY YOU WOULD LIKE
9 TO GO BACK AND ADJUST THESE RANGES AT ALL SO THEY
10 WOULD PERHAPS BE MORE ACCEPTABLE AND STILL GIVE
11 YOU THE FLEXIBILITY THAT YOU NEEDED?

12 DR. TROUNSON: WE CAN ADJUST THOSE
13 RANGES. THEY WON'T BE THE MERCER RANGE. BUT WE
14 CAN MAKE ADJUSTMENTS IF YOU THINK THAT'S
15 SATISFACTORY. WHAT I'M FACING RIGHT NOW IS THE
16 NECESSITY TO GET AN APPOINTMENT DONE AT SOMETHING
17 WHICH IS 40,000, I THINK, ABOVE THE MAXIMUM IN THE
18 RANGE. AND SO WHAT I WAS HOPING IS THAT WE COULD
19 GET THAT ITEM COVERED BECAUSE, YOU KNOW, I'VE GOT
20 TO ACTUALLY BE --

21 CHAIRPERSON LANSING: AND YOU WOULD BE
22 ABLE TO COVER THAT IN CLOSED SESSION, WOULD WE
23 NOT, JAMES, AS AN EXCEPTIONAL SITUATION IF WE FELT
24 THAT PERSON, HE OR SHE, WAS VALUABLE ENOUGH?

25 MR. HARRISON: NO. BECAUSE THE SALARY

BARRISTERS' REPORTING SERVICE

1 THAT DR. TROUNSON IS TALKING ABOUT WOULD EXCEED
2 THE CURRENT RANGE. THAT WOULD REQUIRE APPROVAL BY
3 THE FULL ICOC.

4 CHAIRPERSON LANSING: WOULD IT BE ENOUGH
5 TO GET A SENSE THAT THE GOVERNANCE WAS COMFORTABLE
6 WITH IT, TO ALLOW YOU TO DO WHAT YOU NEEDED TO DO
7 UNTIL THE NEXT MEETING WHICH IS MOMENTARILY.

8 MR. KLEIN: SHERRY, THIS IS BOB KLEIN.
9 LET ME ASK A QUESTION HERE IF I COULD, PLEASE.
10 WHAT IF WE -- WHAT IF THE RANGE, INSTEAD OF GOING
11 TO 75TH PERCENTILE, AS A COMPROMISE WENT TO THE
12 65TH PERCENTILE IN CATEGORIES 9 AND 10? I DON'T
13 HEAR PEOPLE HAVING A PROBLEM WITH CATEGORIES 5 AND
14 6. IS THAT SOMETHING --

15 CHAIRPERSON LANSING: I THINK YOU NEED
16 TO LOWER THE HIGHER END OF THE RANGE IN CATEGORIES
17 9 AND 10.

18 MR. KLEIN: WELL, IF WE WENT TO 65TH
19 PERCENTILE, THAT'S EXACTLY WHAT THAT WOULD HAVE
20 DONE.

21 CHAIRPERSON LANSING: WHAT'S THE NEW
22 RANGE THEN?

23 MR. KLEIN: LET ME ASK ALEX TO CALCULATE
24 WHAT THAT IS. THIS IS A SPONTANEOUS SUGGESTION,
25 SO WE DON'T HAVE --

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: THAT'S WHAT I WAS
2 ASKING YOU, IF YOU COULD ADJUST THE RANGES AND
3 THEN MAKE THE RANGES NOT QUITE SO EGREGIOUS.
4 MAYBE THAT'S A WAY TO SOLVE THIS.

5 MR. KLEIN: OKAY. JUST ONE SECOND. BUT
6 BASICALLY IF -- ALEX, IS THAT A REDUCTION OF
7 ABOUT --

8 MS. CAMPE: WELL, THE 75TH PERCENTILE WE
9 KNOW IS 613,712.

10 MR. KLEIN: JUST PROPORTIONALLY
11 ADJUSTED, IF YOU TAKE BETWEEN THE 50TH AND 75TH,
12 IT IS 25 BASIS POINTS. SO IF YOU TAKE 40 PERCENT
13 OFF OF THAT DIFFERENCE, YOU WILL COME DOWN TO 65.
14 SO IF YOU TAKE 115,000, WHAT'S 40 PERCENT OFF OF
15 THAT?

16 DR. POMEROY: SHERRY, WHILE THEY'RE
17 CALCULATING THAT, MAY I MAKE A COMMENT?

18 CHAIRPERSON LANSING: OF COURSE.

19 DR. POMEROY: THIS IS JUST A PROCESS
20 COMMENT. I WANT TO PREFACE IT BY SAYING I AM
21 ABSOLUTELY DELIGHTED THAT DR. TROUNSON IS OUR
22 PRESIDENT AND BOB KLEIN IS OUR CHAIR. BUT FROM A
23 PROCESS POINT OF VIEW, I'M UNCOMFORTABLE WITH THEM
24 COMMENTING AND ADVOCATING ABOUT THEIR OWN SALARY
25 RANGES. AND I THINK IT WOULD BE MUCH MORE

BARRISTERS' REPORTING SERVICE

1 APPROPRIATE PERHAPS TO ASK THEM TO RESTRICT THEIR
2 COMMENTS TO LEVEL 9 POSITIONS.

3 MR. KLEIN: I THINK THAT'S QUITE
4 APPROPRIATE.

5 CHAIRPERSON LANSING: ABSOLUTELY RIGHT,
6 CLAIRE. THANK YOU SO MUCH.

7 MR. KLEIN: LET'S LOOK AT LEVEL 9.

8 CHAIRPERSON LANSING: LET'S JUST SAY
9 LEVEL 10, THE RECOMMENDATION IS WE'RE NOT
10 COMFORTABLE DOING ANYTHING AT THIS PARTICULAR
11 TIME. BUT LET'S LOOK AT LEVEL 9 WHICH HAS AN
12 URGENCY TO IT.

13 MR. KLEIN: SO LEVEL 9 IS \$150,000
14 DIFFERENCE. 40 PERCENT OF 150 IS 60,000. SO IT
15 WOULD REDUCE THE 392 TO 332 APPROXIMATELY; IS THAT
16 CORRECT? I'M DOING THIS ALL IN MY HEAD.

17 MS. CAMPE: I GET ABOUT 330 -- 331,720.

18 MR. KLEIN: I WAS 300 OFF.

19 DR. HENDERSON: 80 PERCENT OF THAT IS
20 PROBABLY HIGHER THAN THE 310 THAT ALAN WANTS.

21 MR. KLEIN: 80 PERCENT OF 332.

22 MR. HARRISON: IT'S 80 PERCENT OF THE
23 MINIMUM OF THE RANGE, RIGHT, ALEX?

24 DR. POMEROY: THE MAXIMUM.

25 MS. CAMPE: THAT WOULD BE THE NEW --

BARRISTERS' REPORTING SERVICE

1 CONSIDERED THE NEW MAXIMUM, 331,720, IF WE BASE IT
2 ON THE 65TH PERCENTILE.

3 MR. KLEIN: SO 80 PERCENT OF THAT IS?

4 MS. CAMPE: SO THE NEW RANGE --

5 DR. HENDERSON: ABOUT 310, 305. THAT
6 WOULD BE CLOSE TO THE 310.

7 MS. CAMPE: SO IT WOULD BE 180 --

8 DR. POMEROY: SHERRY, IF I COULD JUST
9 CLARIFY. I THINK PEOPLE ARE TALKING ABOUT TWO
10 DIFFERENT THINGS. BOB'S PROPOSAL WAS TO SAY THAT
11 THE PRESIDENT HAD AUTHORITY WITHOUT BRINGING IT TO
12 THE COMMITTEE UP TO THE 65TH PERCENTILE OF THE NEW
13 RANGE.

14 CHAIRPERSON LANSING: CORRECT.

15 DR. POMEROY: OTHER PEOPLE ARE TALKING
16 ABOUT THE PROPOSED RANGE NOT GOING AS HIGH. SO WE
17 NEED TO KEEP THE TWO PROPOSALS SEPARATE.

18 MR. KLEIN: YEAH. I WAS ACTUALLY --

19 CHAIRPERSON LANSING: I THOUGHT YOU WERE
20 DOING BOTH, BOB.

21 MR. KLEIN: I WAS TRYING TO DO BOTH,
22 CLAIRE.

23 CHAIRPERSON LANSING: HE WAS TRYING TO
24 DO BOTH. IN OTHER WORDS, I AM HEARING THE SENSE
25 OF THE GOVERNANCE SUBCOMMITTEE, THAT THE

BARRISTERS' REPORTING SERVICE

1 GOVERNANCE SUBCOMMITTEE, A GREAT MANY PEOPLE ARE
2 UNCOMFORTABLE WITH RAISING THE RANGE, PERIOD, AND
3 CERTAINLY AS MUCH AS IT HAS BEEN RAISED. ONCE YOU
4 GET THE RANGE, I THINK PEOPLE ARE LESS
5 UNCOMFORTABLE WITH GIVING -- I'VE NEVER ACTUALLY
6 HEARD ANYONE UNCOMFORTABLE WITH GIVING
7 DR. TROUNSON THE ABILITY TO ACT ON HIS OWN. SO I
8 JUST THINK YOU HAVE TO LOWER THE RANGE. THAT'S
9 WHAT'S DRIVING EVERYONE. A LOT OF PEOPLE ARE
10 UNCOMFORTABLE WITH THAT.

11 MR. KLEIN: OKAY. SO, CLAIRE, TO BE
12 CLEAR, WHAT I WAS SUGGESTING IS ON LEVEL 9,
13 LOWERING THE RANGE TO THE 65TH PERCENTILE, WHICH
14 IS 331,700.

15 CHAIRPERSON LANSING: SO THE RANGE WOULD
16 BE 180 TO 331.

17 MS. CAMPE: CORRECT.

18 CHAIRPERSON LANSING: AND WHAT ABOUT
19 9(E)?

20 MR. KLEIN: AND WITHIN THAT RANGE,
21 CLAIRE, I'M SUGGESTING GIVE THE PRESIDENT
22 AUTHORITY TO OPERATE WITHIN THAT RANGE BECAUSE 80
23 PERCENT OF THAT RANGE, I THINK, IS ABOUT 288; IS
24 THAT CORRECT? EVEN LOWER THAN THAT.

25 DR. POMEROY: TO DO THAT, WE WOULD HAVE

BARRISTERS' REPORTING SERVICE

1 TO CHANGE OUR BYLAWS.

2 MR. HARRISON: CLAIRE, WE WOULD HAVE TO
3 AMEND THE INTERNAL GOVERNANCE POLICY WHICH
4 CURRENTLY PREFERS GOVERNANCE SUBCOMMITTEE APPROVAL
5 AT 80 PERCENT OF THE MINIMUM OF THE RANGE.

6 DR. POMEROY: AND WE DON'T HAVE A QUORUM
7 TO DO THAT.

8 MR. KLEIN: NO.

9 MS. PACHTER: NEITHER THE QUORUM OR AN
10 AGENDA ITEM.

11 MR. KLEIN: SO BASICALLY WE REDUCE THE
12 RANGE TO 332 --

13 CHAIRPERSON LANSING: WHAT ABOUT -- I
14 HAD TWO THINGS. I HAD -- THAT'S FOR THE
15 SCIENTIFIC OFFICER. THAT'S ALL YOU'RE DEALING
16 WITH TODAY; IS THAT CORRECT?

17 MR. KLEIN: I'M DEALING WITH LEVEL 9 --
18 NO ONE SEEMS TO HAVE A PROBLEM WITH LEVEL 5 OR
19 LEVEL 6. CLAIRE DIDN'T HAVE A PROBLEM WITH LEVEL
20 5 OR 6.

21 CHAIRPERSON LANSING: I HAVE TWO ON 9.
22 I HAVE GENERAL COUNSEL ALSO.

23 MR. KLEIN: THAT IS CORRECT. IF WE CAN
24 JUST -- SHERRY, IF WE COULD JUST --

25 CHAIRPERSON LANSING: LET'S DEAL WITH

BARRISTERS' REPORTING SERVICE

1 THE ONE. I UNDERSTAND.

2 MR. KLEIN: ON THE CHIEF SCIENTIFIC
3 OFFICER, FOR EXAMPLE, IF WE LOWER THE RANGE TO THE
4 65TH PERCENTILE, WHICH WOULD BE 332, IN ORDER TO
5 CHANGE THE RANGE, IT HAS TO GO TO THE BOARD
6 ANYWAY; IS THAT CORRECT, ALEX?

7 MS. CAMPE: CORRECT.

8 MR. KLEIN: SO IN TERMS --

9 CHAIRPERSON LANSING: BUT THEN GET A
10 SENSE OF WHETHER OR NOT WE WERE COMFORTABLE WITH
11 THE RANGE, AND THEN EVERYTHING ELSE CAN BE THE
12 SAME BECAUSE THEN WE'LL GET -- BECAUSE WE DON'T
13 KNOW WHO THE PERSON IS YET, SO WE CAN'T SAY HOW WE
14 FEEL ABOUT THE PERSON.

15 MR. KLEIN: SO AT THE BOARD WE COULD
16 APPROVE THE 80TH PERCENTILE, DR. HENDERSON. WE
17 COULD APPROVE --

18 DR. HENDERSON: THE 332.

19 MR. KLEIN: THAT'S RIGHT.

20 DR. POMEROY: THAT CLARIFIES IT FOR ME.
21 AND ACTUALLY AT THE ICOC MEETING, WE COULD
22 APPROVE, IF WE WANTED TO, SOMETHING OUTSIDE OF THE
23 RANGE.

24 MR. KLEIN: THAT'S RIGHT.

25 CHAIRPERSON LANSING: THAT'S CORRECT.

BARRISTERS' REPORTING SERVICE

1 DR. HENDERSON: AND THEN CAN WE THEN
2 ADJUST THE GENERAL COUNSEL UPPER LIMIT AND
3 SEPARATELY FIND A WAY TO DO THAT FOR LEVEL 10?

4 MR. KLEIN: YEAH. WE HAVE TO GO TO THE
5 BOARD IN ANY CASE.

6 DR. HENDERSON: OKAY.

7 MR. KLEIN: THIS IS AN INFORMATIONAL
8 DISCUSSION TO GET OUT THESE VIEWS SO WE UNDERSTAND
9 WHAT THE ISSUES ARE IN BRINGING IT TO THE BOARD.

10 DR. HENDERSON: I THOUGHT THE GOVERNANCE
11 SUBCOMMITTEE USUALLY CAME WITH THE RECOMMENDATION.

12 MS. KING: AND THAT IS TRUE, DR.
13 HENDERSON, BUT WE DON'T HAVE A QUORUM TODAY. SO
14 WHAT YOU CAN DO AS A SUBCOMMITTEE IS BRING A SENSE
15 OF THE SUBCOMMITTEE TO THE BOARD.

16 CHAIRPERSON LANSING: SO I THINK I CAN
17 CLARIFY THE SENSE.

18 DR. HENDERSON: GOOD.

19 CHAIRPERSON LANSING: AND CORRECT ME,
20 FELLOW MEMBERS, IF YOU THINK I'M WRONG. THE SENSE
21 OF THE SUBCOMMITTEE IS THAT WE WANT DR. TROUNSON
22 TO BE ABLE TO OPERATE AND GET THE BEST
23 INDIVIDUALS. BUT WE ARE UNCOMFORTABLE ABOUT THE
24 TOP END OF THE NEW RANGE THAT IS BEING PROPOSED
25 FOR LEVEL 9. AND WE HAVE NOT DISCUSSED LEVEL 10,

BARRISTERS' REPORTING SERVICE

1 BUT I ASSUME THE SAME WILL APPLY. SO WE ARE
2 ASKING THEM TO LOOK AT THE SENSE OF OUR
3 SUBCOMMITTEE IS TO PLEASE LOOK AT THE HIGH END OF
4 THE RANGES OF 9 AND 10, BOTH 9S, BOTH OF THE
5 POSITIONS AT 9, AS WELL AS AT 10.

6 AND THEN WE WILL BRING TO THE BOARD,
7 HOPEFULLY, A LOWER END, A LOWER HIGH END -- GOD, I
8 HOPE THIS IS MAKING SENSE -- AND DISCUSS THE
9 FLEXIBILITY AT THAT TIME THAT DR. TROUNSON WOULD
10 HAVE.

11 MR. KLEIN: THE LEVELS THAT I THINK WE
12 NEED ACTION ON ARE 5, 6, AND 9.

13 CHAIRPERSON LANSING: WE'RE NOT
14 UNCOMFORTABLE AT ALL WITH 5 AND 6.

15 MR. KLEIN: THAT'S WHAT I WANTED TO
16 RECONFIRM.

17 CHAIRPERSON LANSING: AND, YOU KNOW, I
18 PERSONALLY MUST SAY TO YOU THAT I AM,
19 UNFORTUNATELY DUE TO THE RESCHEDULING, UNABLE TO
20 ATTEND THE NEXT MEETING. AND I'D LIKE YOU AT
21 LEAST TO CARRY MY THOUGHTS THAT, AT LEAST ONCE WE
22 GET THE RANGE IN LEVEL 9 AND 5 AND 6, I WOULD LIKE
23 TO GIVE DR. TROUNSON THE ABILITY TO HIRE WITHIN
24 THAT RANGE EVEN IF IT'S ABOVE 80 PERCENT AND NOT
25 HAVE TO COME TO US BECAUSE ONCE WE GOT THE RANGE

BARRISTERS' REPORTING SERVICE

1 AND HE'S MANAGING WITHIN HIS BUDGET, I DON'T FEEL
2 THE NEED FOR HIM TO COME ALL THE TIME. THAT'S MY
3 PERSONAL FEELING.

4 MS. KING: SHERRY, YOU ARE ABLE TO COME
5 THE 12TH OF MARCH TO SACRAMENTO FROM WHAT WE
6 UNDERSTOOD FROM YOU. MARCH 12TH. WE MOVED IT TO
7 THE 12TH.

8 CHAIRPERSON LANSING: THEY TOLD ME IT
9 WAS THE 11TH.

10 MS. KING: NO. WE ACTUALLY MOVED IT TO
11 THE 12TH BECAUSE YOU COULDN'T MAKE IT THE 11TH.

12 CHAIRPERSON LANSING: NO ONE EVER TOLD
13 ME. OKAY. I HAD YOU IN SACRAMENTO ON THE 11TH.
14 WHERE ARE YOU ON THE 12TH?

15 MS. KING: IN SACRAMENTO ON THE 12TH.

16 CHAIRPERSON LANSING: I NEVER KNEW THAT.
17 OKAY. THANK YOU. SO ANYWAY, THEN I CAN SPEAK FOR
18 MYSELF. ALL RIGHT. THANK YOU. ALL RIGHT. IS
19 THAT --

20 DR. HENDERSON: SOUNDS GREAT.

21 CHAIRPERSON LANSING: OKAY. IS EVERYONE
22 IN AGREEMENT WITH THAT?

23 DR. HENDERSON: YEP.

24 CHAIRPERSON LANSING: AND SO I DON'T
25 THINK WE NEED TO TAKE A ROLL CALL VOTE. I THINK

BARRISTERS' REPORTING SERVICE

1 WE REALLY -- WE'VE GOTTEN A SENSE OF THE
2 SUBCOMMITTEE AND YOU KNOW WHAT WORK YOU HAVE TO
3 DO. SO NOW I'D LIKE TO GO INTO CLOSED SESSION, AS
4 YOU CAN SEE. EVERYONE PLEASE HANG UP AND LET'S
5 DIAL INTO THE CLOSED SESSION NUMBER. AND MEMBERS
6 OF THE PUBLIC, WE HAVE TO ASK YOU TO STEP OUT OF
7 THE ROOMS, AND WE'LL BRING YOU BACK TO THE OPEN
8 SESSION FOLLOWING.

9 MR. KLEIN: IN THIS EXECUTIVE SESSION
10 WE'RE GOING TO HAVE ALL STAFF OTHER THAN THE
11 PRESIDENT AND THE INTERIM PRESIDENT. SO WE'RE
12 GOING TO HAVE ALL STAFF EXCEPT THE PRESIDENT OUT
13 OF THE ROOM; IS THAT CORRECT, SHERRY?

14 CHAIRPERSON LANSING: YES.

15 MS. KING: THIS IS MELISSA. I WILL JUST
16 DIAL BOB INTO THE CLOSED SESSION AND DR. HENDERSON
17 AND THEN I WILL LEAVE AS WELL. OKAY. JUST GIVE
18 US ABOUT 60 SECONDS HERE AND I'LL BE DIALED IN.

19 (THE SUBCOMMITTEE THEN WENT INTO
20 CLOSED SESSION, NOT REPORTED NOR HEREIN
21 TRANSCRIBED. THE SUBCOMMITTEE THEN RECONVENED IN
22 OPEN SESSION AND WAS HEARD AS FOLLOWS:)

23 MR. KLEIN: ... I COMPLETELY RESPECT
24 CLAIRE'S COMMENTS, SHE'S GOT A MASSIVE JOB AS
25 DIRECTOR OF THE MEDICAL SCHOOL, DR. HENDERSON'S

BARRISTERS' REPORTING SERVICE

1 COMMENTS, AND THE OTHER COMMENTS THAT ARE MADE. I
2 THINK THAT I PROBABLY SHOULD HAVE EMPHASIZED THE
3 FACT THAT I JUST THINK IT'S BEING UNDERESTIMATED
4 HOW MUCH OF A SACRIFICE WE'RE ASKING PEOPLE TO
5 GIVE UP WHEN THEY'RE GIVING UP YEARS OF SCIENTIFIC
6 RESEARCH AND HOW THAT INTERRUPTS THEIR CAREERS AND
7 THEIR ABILITY TO PROGRESS IN THEIR CAREERS. AND
8 IT'S A VERY COSTLY DECISION TO DEDICATE THEMSELVES
9 TO OUR MISSION.

10 BUT I COMPLETELY RESPECT THE DIFFERENT
11 PERSPECTIVES ON THIS, AND IT'S ALWAYS GOOD TO HAVE
12 POINT AND COUNTERPOINT VIEWS. BUT CLAIRE AND DR.
13 HENDERSON AND EVERYONE ELSE ON THIS CALL IS EVERY
14 BIT AS DEDICATED AS I AM, AND THEY'VE SPENT YEARS
15 BEFORE I EVER WAS COMMITTED TO THIS FIELD IN
16 DEDICATING THEIR LIVES TO ADVANCING MEDICAL
17 RESEARCH. SO WHILE IMPASSIONATELY REACHING TO
18 GIVE THE PRESIDENT THE DISCRETION HE NEEDS, I
19 THINK THAT IT'S VERY CLEAR FROM THE SENTIMENT OF
20 THE BOARD THAT EVERYONE IS TRYING TO REACH THAT
21 SAME GOAL.

22 I APPRECIATE THE FINAL SETTLEMENT
23 EVERYONE CAME TO. AND HOPEFULLY THAT WILL PROVIDE
24 A COMPROMISE POSITION THAT REALLY EMPOWERS THE
25 PRESIDENT, BUT CREATES THE BURDEN OF FINDING THOSE

BARRISTERS' REPORTING SERVICE

1 EXCEPTIONAL INDIVIDUALS WITH THE INSIGHT TO REALLY
2 BREAK THROUGH IN THIS MISSION.

3 CHAIRPERSON LANSING: THANK YOU, BOB.
4 AND YOU SAID THERE WAS COMMENT FROM THE PUBLIC
5 ALSO.

6 MR. KLEIN: THERE IS.

7 MR. REED: THIS IS DON REED. ON THE
8 11TH I WILL NOT BE AT THE ICOC MEETING -- 12TH --
9 BECAUSE I WILL BE AT THE ROMAN REED SPINAL CORD
10 INJURY RESEARCH ACT. AND THE REASON I BRING THAT
11 UP, SADLY IT CONFLICTS, IS THAT SOMETHING HAS
12 HAPPENED HERE LATELY THAT IS RELEVANT TO THIS.
13 YOU' RE ALL FAMILIAR WITH THE FACS MACHINES, THE
14 FREQUENCY ACTIVATED CELL SORTER MACHINES, AND
15 THEY' RE EXPENSIVE.

16 ONE OF THE THINGS THE ROMAN REED ACT HAS
17 DONE IS TO DEVELOP A VERY CHEAP ELECTRICAL SORTER
18 WHICH IS ABOUT THE SIZE OF A DIME WHICH WOULD COST
19 LESS THAN A DOLLAR. SO SOMETHING THAT WAS HUGELY
20 EXPENSIVE, BY THE EFFORTS OF THE TREMENDOUS PEOPLE
21 WHO ARE DOING THE KIND OF WORK THAT WE' RE ALL
22 TRYING TO MAKE HAPPEN IS GOING TO RESULT IN
23 TREMENDOUS COST SAVINGS AND GREATER EFFICIENCY.

24 SO WE' RE HASSLING NOW OVER THE MONEY,
25 AND WE HAVE TO BE SURE EVERYTHING IS DONE RIGHT,

BARRISTERS' REPORTING SERVICE

1 BUT THE SAVINGS TO AMERICA AND THE WORLD, BOTH IN
2 FINANCES AS WELL AS IN SUFFERING, WILL BE HUGE.
3 THANK YOU.

4 CHAIRPERSON LANSING: THANK YOU. WHAT A
5 GREAT WAY TO END THE MEETING. WELL, IF THERE ARE
6 NO FURTHER COMMENTS, THIS MEETING STANDS
7 ADJOURNED. AND I THANK THE MEMBERS OF THE PUBLIC
8 AS WELL AS THE MEMBERS OF THE GOVERNANCE
9 SUBCOMMITTEE FOR THEIR TIME. AND I APPRECIATE ALL
10 THE HARD WORK THAT BOTH SIDES, PUBLIC AND THE
11 MEMBERS OF THE BOARD, ARE PUTTING IN. SO THANK
12 YOU ALL FOR YOUR TIME AND ENERGY.

13 (THE MEETING WAS THEN CONCLUDED AT
14 4:20 P.M.)

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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 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 HELD ON WEDNESDAY, FEBRUARY 20, 2008, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.



BETH C. DRAIN, CSR 7152
BARRISTER' S REPORTING SERVICE
1072 BRISTOL STREET
SUITE 100
COSTA MESA, CALIFORNIA
(714) 444-4100