

VERBATIM PROCEEDINGS

CONNECTICUT STEM CELL RESEARCH ADVISORY COMMITTEE

COMMISSIONER JEWEL MULLEN, CHAIRPERSON

AUGUST 16, 2011

CONNECTICUT INNOVATIONS
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RE: CT STEM CELL RESEARCH ADVISORY COMMITTEE
AUGUST 16, 2011

1 . . .Verbatim Proceedings of a meeting of
2 the Connecticut Stem Cell Research Advisory Committee held
3 on August 16, 2011 at 1:10 p.m. at the Connecticut
4 Innovations, 865 Brook Street, Rocky Hill, Connecticut. .
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9 CHAIRPERSON JEWEL MULLEN: So we agree we
10 can start. Hello everyone. Let me just --

11 DR. ANN KIESSLING: This is Ann Kiessling.

12 CHAIRPERSON MULLEN: -- hi Ann.

13 DR. ANNE HISKES: Hello. This is Ann.

14 MS MARIANNE HORN: We're just getting
15 started. Anne Kiessling just dialed in. Hi to you, Anne
16 too.

17 DR. HISKES: Hi.

18 CHAIRPERSON MULLEN: Thanks everyone for
19 making yourselves available on what seems to be one of the
20 peak vacation weeks of the year. And just once again,
21 thank you for last month's review process. I thought it
22 went really well. I acknowledge your flexibility and how
23 nimbly you adapted to the technical challenges and I
24 reported to the Governor's office the following day that I

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1 thought that we had undergone a process that was of high
2 integrity and, you know, and scholarly excellence at the
3 same time. So thank you everyone.

4 I also acknowledged the email that we
5 received from Doctor -- Mr. Bob Mandelkern on his
6 resignation and wanted to propose to the group that I
7 request that the Governor draft a letter for him thanking
8 him for his service to the Committee and I doubted that
9 anyone would disagree with that.

10 DR. KIESSLING: This is Ann Kiessling. Is
11 there any way that some sort of certificate could be
12 devised for him?

13 CHAIRPERSON MULLEN: Well, we'll see what
14 we can get. I imagine some kind of a proclamation or
15 certificate -- are you talking about something in addition
16 to a letter from the Governor? Something that we could
17 create or generate here?

18 DR. KIESSLING: I don't know. I mean, Bob
19 just put his heart and soul into this project. It just
20 seems like some kind of little certificate of his -- I
21 mean, a letter from the Governor might be just as nice,
22 but something that you could even just hang in your office
23 or something.

24 MS HORN: We did something when Willy Lynch

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1 left and I can look back through the files and find out
2 what that was because it was -- it was pretty significant
3 I think. Do you remember what it was Chelsey?

4 MS. CHELSEY SARNECKY: I don't remember
5 what it was, but on the C.I. side we often ask the
6 Governor's office to do proclamations for, you know,
7 people that have either left our board in similar
8 instances. So is that kind of what you're talking about
9 Ann?

10 DR. KIESSLING: Right.

11 MS. SARNECKY: Yeah. That might work and I
12 can coordinate that with you guys.

13 MS HORN: Okay.

14 DR. KIESSLING: Not to minimize the
15 importance of a letter from the Governor, that would be
16 wonderful, but some sort of certificate of service or, you
17 know, appreciation certificate or something like that.

18 MS. SARNECKY: Definitely.

19 CHAIRPERSON MULLEN: And with that I think
20 we can move forward on the agenda.

21 MS HORN: I just had two quick little
22 things I wanted to mention to people. One was the annual
23 report that folks had wanted to continue even though the
24 legislation doesn't require us to do an annual report to

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1 the Legislature anymore, it could be something that we
2 would send to them electronically and just say, we're
3 still here and doing great things, and also have it on our
4 DPH website. So that's almost complete and we'll
5 certainly have it for the next meeting and it actually
6 should be ready. I'll send it out to everybody for their
7 comments prior to the next meeting.

8 And then following up on Bob's resignation
9 we are down about five members on the Committee. So if
10 people have thoughts about who would be a good replacement
11 for those people, between Chelsey and I we'll put together
12 what the qualifications are for the folks where -- I think
13 Bob was a business representative and --

14 MS. SARNECKY: And just the appointing
15 authority too would be helpful so we could coordinate. I
16 know Milt has a lot of relationships with the Legislature
17 that we could probably leverage those relationships to get
18 some good talented people on the Board.

19 MS HORN: I think it's helpful when we
20 write over to the Governor's office asking them to appoint
21 somebody if we can include the name and perhaps even a
22 C.V. So we'll send something out on that.

23 DR. KIESSLING: Marianne?

24 MS HORN: Yes?

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1 DR. KIESSLING: This is Ann Kiessling.

2 Could you just quickly list the makeup of the Board? How
3 many are supposed to be from business? How many from --
4 do you know that?

5 MS HORN: I don't off the top of my head.
6 I'm sorry. I'll have to get that together and send it out
7 where the vacancies are.

8 DR. KIESSLING: Okay.

9 DR. GERALD FISHBONE: I think it was in the
10 original proclamation, wasn't it?

11 MS HORN: Yes. And then we added members
12 to the Committee. So -- but I certainly have a list right
13 on my desk that I can send out to everybody.

14 DR. KIESSLING: Thank you.

15 MS. SARNECKY: Here we go. Minutes from
16 the last --

17 MS HORN: Oh, perfect. Chelsey has it up
18 on the screen.

19 MS. SARNECKY: -- This is obviously very
20 old. This is from 2005, but for the people that are
21 listening in, Ann, do you just want to know what kind of
22 appointments we have? There's two Gubernatorial
23 appointments. One an active investigator in stem cell
24 research and one with a bio-ethics background. The Senate

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1 Present Pro Tem has one appointment, private sector stem
2 cell research and development. Speaker, private sector
3 stem cell research and development. The Senate Majority
4 Leader, academic researcher. Senate Minority Leader,
5 private or public sector stem cell research or
6 development. They seem to be pretty -- pretty vague.
7 House Majority Leader, academic researcher. House
8 Minority Leader, business or financial investments. So
9 one, two, three --

10 DR. KIESSLING: Okay. Patient advocate is
11 not a defined spot.

12 MS. SARNECKY: -- it doesn't look like it.
13 This is -- but this is from 2005. I know we had added --
14 was that in '08?

15 MS HORN: We did add to that, but we don't
16 have an advocate on there Ann. Bob certainly wore that
17 hat sometimes, but he was the business or financial
18 person.

19 DR. KIESSLING: Okay. Interesting. Okay.

20 CHAIRPERSON MULLEN: What you added was
21 that just the decision here or was there some statutory
22 change?

23 MS. HORN: There was a statutory change
24 because we were running into conflicts on the Board and so

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1 that gave us the opportunity to actually have a quorum now
2 and again.

3 DR. FISHBONE: I was the quorum boy.

4 MS HORN: You were the quorum. That's
5 right, the last minute quorum boy.

6 A MALE VOICE: Friday night, right?

7 DR. FISHBONE: Friday night before the
8 meeting on Monday.

9 MS. SARNECKY: Bob was appointed under the
10 business and financial investment.

11 MS HORN: So we'll get a complete -- and
12 updated list and then where the vacancies are and would
13 appreciate any input on that. So the minutes were
14 circulated from the July 19th meeting and thank you
15 Shelly, they're really -- you really consolidated an awful
16 lot of information into something that was readable.

17 DR. FISHBONE: Yeah, very good.

18 MS HORN: Were there any questions,
19 comments, concerns?

20 DR. RICHARD DEES: I move to accept them.

21 DR. HISKES: I second that motion. Anne
22 Hiskes speaking.

23 MS HORN: Okay. So that was Dr. Dees
24 moving?

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1 DR. DEES: Yes. Yes it was.

2 MS HORN: Thank you. Any further
3 discussion? All in favor of adopting the minutes from
4 July 19th?

5 VOICES: Aye.

6 MS HORN: Thank you. The minutes are
7 adopted. The next item on the agenda, I'm just giving the
8 Commissioner here a moment to finish her lunch here.

9 CHAIRPERSON MULLEN: That's fine.

10 MS HORN: There were a number of things
11 that came up at the grant meeting and I'm going to ask
12 Milt to take the lead on this because he was kind enough
13 to put them into a list for me, which I put into this one
14 topic. And so Milt, if you wouldn't mind just reminding
15 us of the kinds of things that we mentioned during that
16 meeting so that we don't lose track of them?

17 DR. MILTON WALLACK: So one of the things
18 that we talked about was establishing a meeting in the
19 fall of business and industry about how to best access the
20 Stem Cell Initiative. We wanted to I believe consult with
21 universities to make sure that their researchers follow
22 the formatting guidelines for submission of the
23 applications. There were a few instances where there was
24 a deviation from that. We had a long discussion about the

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1 -- where we were on the core grants and we I think wanted
2 to come back and have a discussion about how to be more
3 definitive and clearer about our intent having to do with
4 the core grants.

5 We had a discussion about what we wanted to
6 do in reference to established investigators and whether
7 or not it was appropriate if they have already been doing
8 research in stem cell research, whether or not they should
9 or should not be involved as the head P.I. in seed grants.

10 There was a couple of applications where there was a
11 question about whether or not the work in fact was going
12 to be done here in Connecticut. I think there was one
13 instance where there was a grant that came through where
14 there were headquarters in Waltham, Massachusetts. I
15 think it was Moravian or something and they were working
16 with Ren-He Xu and it was unclear about where the work
17 would be taking place, whether it would be in Waltham or
18 in Connecticut.

19 I think those were the main issues that we
20 were talking about. From a personal standpoint deviating
21 from what we discussed in that context I personally would
22 be interested in seeing if there was reason to have a
23 discussion about the amounts that we award for each of the
24 various categories. We did that last year and we amended

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1 it and I'm not sure that maybe we shouldn't be thinking
2 about amending that again and still maintain the level of
3 excellence in science that we all strive to achieve from
4 our researchers.

5 MS HORN: So a couple of those look like
6 they fall under the next category of the revisions to
7 2012, but that's great to keep those in mind as we go
8 through that. Were there any other issues that people
9 remember from the meeting that they wanted to make sure we
10 don't lose? Hello?

11 DR. MYRON GENEL: Hello. Mike Genel.

12 MS HORN: Hi Mike.

13 DR. GENEL: There's a chance I might even
14 be able to get up there physically, but I'll stay tuned
15 until I get there.

16 MS HORN: Terrific.

17 CHAIRPERSON MULLEN: Does that mean you're
18 on the road right now?

19 DR. GENEL: Yep.

20 A MALE VOICE: He has a headset I hope.

21 CHAIRPERSON MULLEN: Do you have a headset
22 on?

23 (Laughter)

24 A MALE VOICE: Don't get arrested.

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1 DR. GENEL: Well, the wonders of modern
2 communication, it's a Bluetooth.

3 MS HORN: Okay. Perfect.

4 DR. GENEL: I just can't look at the papers
5 while I --

6 CHAIRPERSON MULLEN: No, please don't.

7 (Laughter)

8 MS. SARNECKY: We would like you to get
9 here in once piece.

10 MS HORN: We were just talking about the
11 last meeting and the first item that Milt had brought up
12 was a suggestion that we meet with business and industry
13 sometime this fall about how they could access the Stem
14 Cell Initiative sort of always -- some criticism that the
15 program only deals with three major institutions and how
16 could we do that? So I'm open to, A, how this would
17 happen in terms of resources, and any other ideas that
18 people have.

19 DR. GENEL: I think we've had that
20 conversation before if I recall.

21 DR. WALLACK: We have had the conversation,
22 but we've never implemented anything in that regard. So
23 the idea would be if the Committee was interested and the
24 Commission was interested in developing a one day or half

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1 a day program, a few hours' program, whatever, and have an
2 invitee list and offer them the opportunity to attend. I
3 think it would be not only good on their behalf in that it
4 would help to instruct them to be more proficient in
5 writing the applications, but it would be an ability of us
6 to better embrace them and hopefully bring them more into
7 what we hope to see as an expanding field of research.

8 DR. GENEL: Yeah, that makes sense. I'm
9 for that. I think -- I think whatever efforts that we
10 make to reach out can only be helpful. Overall, for the
11 overall program they would be helpful. So yeah, I think
12 that's fine.

13 MS HORN: Is this something we need a
14 subcommittee for?

15 CHAIRPERSON MULLEN: As we reach out what
16 expectations do we give them given that we have limited
17 resources. What should they be expecting the outcome
18 would be? I think that's something we just need to
19 consider as we think about the priorities for the coming
20 year and whether or not we reach out to them and then feel
21 as if we're constrained in the degree to which they're
22 going to be high on the list for potential awards. Just a
23 question.

24 DR. WALLACK: I think you're absolutely

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1 right on top of that and we cannot make any promises I
2 don't believe. All we're doing is sharing information and
3 giving them access to the process. With people when we
4 developed the disease directed category they were asking
5 similar questions. Does this mean that there's a certain
6 amount set aside for disease directed therapies? Well, we
7 know that that was not the case and just because we are
8 going to try to involve them in the system doesn't mean
9 that we're setting aside a certain amount for industry and
10 business. It means that we're hopefully giving them
11 better tools. If they have good research and they have
12 good projects to at least compete with other institutions
13 for possible funding.

14 DR. FISHBONE: One question that I would
15 have. I know in other organizations that I've been
16 involved in one of the biggest problems is you have basic
17 research and then how do you translate that into a product
18 that when you have the best research in the world, but if
19 you don't have companies that will pick it up and make it
20 available on the market, you know, you've just got a lot
21 of very good basic research. And I know in one of the
22 organizations that I've been involved in made a deliberate
23 effort to get businesses to be involved, not to do the
24 basic research, but to figure out how to translate this

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1 into a product. And I don't know if we're at that stage
2 or whether we have enough money to be able even to do
3 that. The other problem is that a lot of businesses have
4 not yet reached a point where there's enough basic data
5 that they can translate it into products.

6 DR. WALLACK: One of the things though
7 Gerry is that -- so we talk about business and industry.
8 Within that context there's the pharmaceutical companies.

9 DR. FISHBONE: Yep.

10 DR. WALLACK: And I think there was only on
11 one occasions, if any, that we saw something coming out of
12 Pfizer as a grant request. We also know that we lost
13 their stem cell group, we lost about 400 some odd jobs to
14 Cambridge. And maybe what could happen out of this is
15 that if they understood that there was room at the table,
16 no guarantees, but room at the table at least to be
17 considered they would take our process a little bit more
18 seriously. I'm not so sure that Pfizer has in fact --
19 that's just one example, taken us all that seriously. But
20 that's where the translational stuff comes into play and
21 that's why I thought of that as a response Gerry to what
22 you just said.

23 CHAIRPERSON MULLEN: So as you envision it
24 do you see this being a meeting that includes grantees as

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1 part of a conversation as opposed to just us?

2 DR. WALLACK: Yeah.

3 DR. FISHBONE: That's not a bad thought,
4 yeah.

5 DR. WALLACK: Right, yeah. That's right.
6 Exactly. Exactly.

7 DR. FISHBONE: Especially grantees who may
8 be doing research that does have, you know, the range of
9 basic science but it does have clinical applications. How
10 do you feel about that David?

11 DR. DAVID GOLDHAMER: I think it's a good
12 idea. I just wasn't sure, Milt, are you under the
13 impression that these companies in Connecticut are not --
14 they don't take -- they may not take what you said
15 seriously because they don't necessarily think there's
16 room at the table or they're not aware as they could be of
17 the program generally?

18 DR. WALLACK: I think it's all of the above
19 and also I think it would be inappropriate to mention any
20 particular grant that has come forward, but we all
21 remember that there have been some grants that came from
22 business and industry, start up companies, that were not
23 always presented in a way that we felt comfortable
24 funding, number one. The other thing is that the whole

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1 escrow involvement there seems to be a need to help direct
2 them, if you will, so that they can access the escrow
3 areas and we know that I think Kaplan, Arthur Kaplan, has
4 formed I believe -- at least he had formed if it still
5 exists, a group that would in fact service for that reason
6 business and industry. I'm not sure people know that. So
7 we turned down certain grants because of these, you know -
8 -

9 DR. FISHBONE: Yeah, escrow issues.

10 DR. GOLDHAMER: So it seems like it might
11 be more focused towards the smaller starts up than the big
12 Pfizer's of the world, probably given what the money
13 limitations are and --

14 DR. WALLACK: But if Pfizer wanted to
15 attend, I mean, they should.

16 DR. GOLDHAMER: Sure. And I think this
17 probably could be accomplished in a half -- if a day seems
18 too long a half a day is probably sufficient.

19 MS HORN: Chelsey, is that anything that
20 C.I. could help with?

21 MS. SARNECKY: Well, I was going to make a
22 comment and I don't know how much -- how much help it'll
23 be but, you know, I know Milt, you had said that oh, maybe
24 the issue is they don't think that there's room at the

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1 table and David said, oh, well maybe it's this other
2 issue. But a lot of the issues that we've seen at C.I.
3 with the small businesses is that they don't want to come
4 to Connecticut if there isn't going to be consistency.
5 And so they're not going to move from Massachusetts and
6 New York, and that's where the job growth is, are the
7 small businesses in the state, and they're not going to
8 move to the state if they're going to say, oh, we have,
9 you know, \$200,000 here for you. Okay, we're going to
10 move our whole, you know, three-person company to
11 Connecticut and then we're going to have to go back
12 somewhere else in a year when we don't know what else is
13 going to happen.

14 So I think that your points are very, very
15 valid, but then just from the C.I. perspective I think
16 there's a little bit of the consistency issue with what's
17 going on in the state. And I know the Governor's made
18 huge, huge jumps in this jobs tour that he's doing and so,
19 you know, everyone knows what's going on and everyone
20 knows what the issues are. But that's just to add a
21 little bit of the C.I. perspective.

22 And, you know, I think it might be helpful
23 too if at these meetings -- Paul is great. Paul sits on
24 the C.I. Board. He's been on the Board for years, so he's

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1 got a great perspective in terms of the pharma side and
2 then the small business and research side. So we can
3 always have somebody from C.I. sit in as well. Or, you
4 know, we have all these companies are part of our
5 portfolio. If there are companies that we just want to
6 have come in just to get their perspective on what they
7 want, you know, we have lots of companies that are doing
8 research in the state, not particularly stem cell, but it
9 might be helpful just to get some perspective.

10 DR. WALLACK: And Mehmet and Emerson
11 (phonetic) also with the -- what's his council?

12 DR. GENEL: Connecticut Technology Council.

13 MS. SARNECKY: Yes.

14 DR. GENEL: CTC Milt.

15 DR. WALLACK: Okay.

16 A MALE VOICE: So what's the next step?

17 DR. WALLACK: If we agree to do it, I mean,
18 to organize it.

19 DR. GENEL: Milt, would you limit this to
20 small business? We talked about applications from other
21 institutions other than the big two or three. Remember we
22 had an application last year from Conn (phonetic) College?

23 DR. WALLACK: I think you're right and you
24 yourself have been a strong advocate of making sure that

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1 people, not only Conn College, but I know you've advocated
2 Hartford University and other -- yeah, so I think you're
3 absolutely right. That there should be room in a meeting
4 like this for individuals from those institutions as well
5 Mike. I think you're absolutely right.

6 DR. GENEL: There are perhaps even some of
7 the hospitals that have significant research interest
8 anyway.

9 DR. WALLACK: Right. No, you're absolutely
10 right.

11 DR. GENEL: I suspect two of them would
12 really be competitive, but if this is an outreach, which I
13 think has it's own benefits in terms of big public
14 relations then I think you ought to be inclusive rather
15 than exclusive.

16 DR. WALLACK: No, I think you're absolutely
17 right. In that same regard about being inclusive, I think
18 Chelsey lit a bulb in my head at least, and that is that
19 this is stretching it a little bit and before you made
20 your remarks I didn't think of this, but maybe we want to
21 also reach out to our surrounding states and if they learn
22 about our process and how they can access our process if
23 we can capture a small number, one or two even of those
24 companies that come to Connecticut that's consistent with

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1 the whole job creation initiative. So -- but I think
2 that's something that maybe we ought to think about also.

3 MS. SARNECKY: I think that's a great point
4 and, you know, C.I. had eight relocations last year, last
5 fiscal year, not only from surrounding states,
6 Massachusetts, New York, New Jersey, Pennsylvania, we even
7 had a company come from North Carolina to Connecticut,
8 which is very -- is the opposite of what you would
9 normally hear. We had a company come from France to
10 Connecticut. So the opportunities are there I think that
11 if everyone just puts their heads together and figures out
12 --

13 DR. WALLACK: That's exciting.

14 MS. SARNECKY: -- yeah. It's very exciting
15 and I think it can be translated, for lack of a better
16 term, into this research piece.

17 DR. WALLACK: Right. So to move the
18 process I would make a motion that we for all the reasons
19 that's we've now discussed, with an audience that we've
20 eluded to, with objectives that we've touched on look to
21 sometime in the fall to establish a meeting where we can,
22 a workshop kind of thing where we can hopefully involve
23 people by having them better understand our processes and
24 see if we can't in that way give them a greater

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1 opportunity, again, with no promises, to come into our
2 system. So I would move that and hopefully you have a
3 committee formed to get that implemented.

4 MS HORN: Do I have a second?

5 DR. GOLDHAMER: I second.

6 MS HORN: Okay. Any further discussion?

7 Yes?

8 DR. FISHBONE: I just have one question.
9 We have two -- I think two separate issues that may be,
10 you know, crossing lines with each other. One of them is
11 the stem cell issue where we have how many more years?
12 Four years of funding? And somewhat limited funding. And
13 then on the other hand what the Governor is trying to do,
14 which is to bring bio-tech in general into the area, and
15 I'm just wondering if somehow if this shouldn't come from
16 a higher level rather than from the Stem Cell Advisory
17 Committee as part of the general economic development plan
18 that I think you've been working on in general? Because,
19 you know, I think it's a little hard with the limited sum
20 of money that we have to attract, you know, and the
21 limited time frame that in four years it'll probably be
22 gone unless, you know, you have some plans to get some
23 more. So I think it's part of a whole different
24 conversation about bringing companies into the state as

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1 well.

2 DR. WALLACK: I think it's always the
3 chicken and the egg. I think in this instance though in
4 order to initiate some type of activity in this regard it
5 would not be inappropriate since we're the effective group
6 that's doing anything in this regard in bio-medical
7 research for us to do that. And if others in the
8 Governor's office or anywhere else would become -- I would
9 think that would only make them more sympathetic to what
10 is going on here and give them the idea that in fact these
11 kinds of opportunities for job creation and economic
12 enhancement can in fact happen. So while I think it's an
13 excellent point about, you know, where did you come from I
14 think we're the only game in town right now and I don't
15 have any discomfort at all about -- and this won't be a
16 difficult thing to do I don't think to -- well, it will be
17 difficult, but I think it's something we can achieve. So
18 I would think that we ought to do it now.

19 CHAIRPERSON MULLEN: Can I just clarify
20 when you say, make them more sympathetic, and I'm
21 sensitive to the time and how much time we want to give
22 this topic now, are you -- make them who? Because I want
23 to respond to your comments and make sure that
24 conversations do occur at the appropriate level given the

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1 distinction between the Stem Cell Advisory work and
2 overall economic development and the advancement of
3 biotechnology in the state. So which audience are you
4 referring to when you say make them more sympathetic?

5 DR. WALLACK: Yeah. I see where the main
6 thrust of what brought this up at the July meeting was to
7 make sure that a wider audience, things that Mike talked
8 about just a moment ago, that David you've been talking
9 about, that they become involved and at least feel they
10 have a seat at the table. As a side issue to that of
11 picking up on what Chelsey said, if that means, which I
12 think it will, that there can be an additional synergistic
13 benefit of bringing industry to the state then that's all
14 to the good. So the first thing that, at least in my mind
15 got the thought going, was the idea of leveling the
16 playing field if you will to those who needed additional
17 aid and assistance in order to get into the system. The
18 side benefit again being the job enhancement, economic
19 enhancement.

20 DR. FISHBONE: Well, Milt's always the
21 optimist and I guess my role is the pessimist.

22 (Laughter)

23 DR. FISHBONE: But one problem I think
24 we've had in the past is that we've tried to attract

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1 businesses to get involved, but then we have a peer review
2 committee made up of scientists, mostly basic scientists,
3 who never rate the business things very high because they
4 don't -- really they're not on the same playing field, you
5 know, when you're looking at different things. So that if
6 we were going to say, well, we'll give \$1,000,000 or some
7 specific sum to business --

8 DR. WALLACK: I think you should do that.

9 DR. FISHBONE: -- okay. But, you know, we
10 keep turning down all the business applications that come
11 in except this is the first year we've approved one. So
12 it's like, you know, we've put out the carrot but then we
13 can't end up delivering because --

14 DR. WALLACK: But again, you know, we
15 haven't -- they haven't come to us in a good enough
16 fashion to warrant it. Can we go off the record just for
17 a second?

18 MS HORN: No.

19 DR. WALLACK: No?

20 MS HORN: I'm sorry. For what purpose?

21 DR. WALLACK: I just want to mention the
22 name of a company.

23 MS HORN: There actually has to be a basis
24 go to into Executive Session and that's not one.

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1 CHAIRPERSON MULLEN: I don't think --

2 MS HORN: Yeah. No. Sorry.

3 DR. WALLACK: Well, I can recall one
4 company, I'll give you the region, greater New Haven
5 region, that had a friend of yours, and his name who I'm
6 pointing to, who --

7 (Laughter)

8 DR. WALLACK: -- who -- that had an
9 application that was I think a fairly good research
10 project that was turned down. There were issues having to
11 do with escrow and other issues that eliminated them from
12 funding. That's the kind of dynamic I think that we can
13 help them to overcome by having a session like this by
14 letting them know about for example what we expect, how to
15 better do it, that there's an escrow group now, a national
16 escrow group. Does Kaplan's group still exist?

17 MS HORN: If you're referring to the one
18 out on the west coast?

19 DR. WALLACK: Yeah.

20 MS HORN: I believe so.

21 DR. WALLACK: Okay. That they can access.

22 CHAIRPERSON MULLEN: So I guess one way to
23 look at this, because we could have an entire meeting on
24 this topic, would be go back to how this group started and

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1 how this effort started. And my impression, even if I go
2 here from the last RFPs, the grants program is --
3 supported the advancement of embryonic stem cell research
4 and it's an important distinction as we acknowledge where
5 we fit and advancement of science and job creation that
6 that's not what our primary mission was I think. I think.
7 So being clear about that and seeing the future, next
8 year and beyond four years, one could ask, well, what
9 happens to this group after four years? Maybe we don't
10 exist anymore because the funds for this a lot of them are
11 also gone. But that doesn't mean the work doesn't
12 continue it just maybe rolls up into something that's a
13 much grander scheme for this administration with regard to
14 economic development and bio-science.

15 So I do really appreciate differentiating
16 between -- pulling people together to help them understand
17 how to be successful in this program and contributing to
18 the larger effort under the Governor and Commissioner
19 Smith I'll say for the, you know, advancement of jobs and
20 for job creation. So, you know, I know there's this whole
21 thing under promise and under deliver, but I think this
22 might be where we just need to only promise on what we can
23 deliver, which might be mostly about this.

24 But also since Commissioner Smith just sent

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1 an email to our counterparts yesterday asking for other
2 ideas about economic development that we might propose to
3 her that we either convene or participate in something
4 larger and then whether or not we need two different
5 events as opposed to one is a question. And since we also
6 said that by September we should be thinking about making
7 it really clear for people what we want from next year's
8 applications inviting people to one meeting where there's
9 also an opportunity to say, okay, here's what we're
10 looking for next year. Here's everything you guys need to
11 know about the rest of this program would be maybe one way
12 to do it while we say we are not by ourselves taking on
13 job creation for Connecticut. Which is, as you were
14 pointing out, a bigger issue. You want to say something?

15 MR. PAUL PESCATELLO: Yeah. Hello. Sorry,
16 my apologies for being late. I was late and there was
17 also an accident on I-91.

18 CHAIRPERSON MULLEN: As long as you weren't
19 in it.

20 MR. PESCATELLO: No. Right. But a couple
21 of comments that some of you have heard before. You know,
22 I think -- so I represent CURE (phonetic), which is, you
23 know, biotech companies and doing everything to try to get
24 translational research and get new companies formed. So

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1 my take on it is sort of the best economic development and
2 the best job creation, the best way to get new companies
3 formed, especially in stem cell research is to do the
4 basic research. I mean, there's always this push to try
5 to do what you can to somehow speed up the process and
6 leapfrog over the very hard work of basic research. But I
7 haven't seen it work anywhere.

8 It's always if you've got to do -- I think
9 we should be very proud of the basic research that's going
10 on in Connecticut, that has gone on. And so that's I
11 think in some sorts as the best we can do. And I just I
12 haven't seen a model anywhere really where that has
13 worked. I mean, money has been poured into things and
14 I'll also say that even in these -- even to the extent
15 businesses, we were able to attract businesses to apply
16 and to successfully apply, but they're not huge job
17 creators. The small companies, any kind of stem cell
18 company, or any start up biotech, we're talking 15, 20
19 employees. Not like a huge, you know, factory or
20 something like that.

21 But I'd also offer as I've done in the past
22 I think there is an issue of the applicants -- business
23 applicants being judged by academics and I think there's a
24 little bit of disconnect there and so maybe -- and I've

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1 offered to put together some kind of venture capitol
2 counterpart as a peer review for them to look at it. I
3 think and, I mean, I think they could be very helpful and
4 I think they'd say, we would never invest in this at this
5 stage, it's still too early, but it does have promise or
6 it doesn't have promise as a business making -- as a money
7 making venture.

8 CHAIRPERSON MULLEN: Thanks.

9 DR. WALLACK: I would subscribe to
10 Commissioner what you're putting on the table and that is
11 that, and I'm always thinking in terms of, you know, how
12 we can move this into job creation and that's why two
13 years ago or so in the annual report we established a
14 separate category -- a separate section on this very area.

15 So it has already begun to be part of what we have, even
16 before this administration, it had already become part of
17 what we're looking at becoming. Having said that, your
18 differentiation into having a session devoted strictly to
19 the deficiencies that certain companies, institutions,
20 other universities who are unlike Yale and Wesleyan and
21 UConn with their kind of expertise, they're the
22 beneficiaries I think of this kind of session.

23 So I wouldn't complicate it by blending it,
24 if you will, with something that on a personal level I

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1 very much believe in. It has nothing to do with this
2 particular opportunity for these companies to access the
3 expertise that we can hopefully let them build on.

4 MS HORN: Okay. We have a motion and a
5 second.

6 CHAIRPERSON MULLEN: So I guess the only
7 other piece of discussion will be I hope that if people --
8 people who want to go forward with this are willing to
9 form a committee to advance it. It certainly will require
10 a subset of the group to move forward and some planning.
11 But I didn't volunteer you to that.

12 MS HORN: No, but I see that Milt has just
13 volunteered to chair that.

14 (Laughter)

15 MR. PESCATELLO: This is the worst part of
16 anything.

17 MS HORN: You know we will support you
18 Milt. Paul, did I hear you volunteer?

19 MR. PESCATELLO: Sorry. So this is a
20 motion to --

21 MS HORN: I think I did. Form a
22 subcommittee to continue to explore either one or two
23 meetings.

24 MR. PESCATELLO: -- I think we should start

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1 with one.

2 MS HORN: One? Okay. One meeting.

3 MR. PESCATELLO: To brief the outside world
4 on --

5 MS HORN: Yes. To invite institutions and
6 hospitals and --

7 DR. WALLACK: Well, part of the motion I
8 think has been expanded by Chelsey's I think very cogent
9 remark having to do with opening it up to even
10 organizations outside of our state. They'd have to
11 understand that if they wanted to apply for grants they
12 would have to be in fact in our state.

13 MS HORN: What we sometimes do is request
14 for information -- once we put in our RFP then people have
15 an opportunity to come and ask questions about the RFP and
16 so that's kind of what you're talking about there. We
17 just have to -- anyway, we're getting into the planning so
18 --

19 MR. PESCATELLO: -- so I'm happy to serve
20 on it, but I guess I'm a skeptic as to the need for this
21 at all.

22 MS HORN: -- yes.

23 MR. PESCATELLO: I mean, I think there's so
24 much information about that there's money out there, money

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1 draws people to ask questions. We have way more
2 applicants than we have money for already. So I don't see
3 that there are people out there who don't have enough
4 information.

5 MS HORN: Okay.

6 MR. PESCATELLO: I haven't seen it. I
7 don't know --

8 DR. GOLDHAMER: I was going to ask you that
9 question. Do you think -- well, that's a big
10 consideration. Do you feel that the small start ups and
11 other companies in the state know as much about this
12 program and their access to it as -- as they need to? I
13 think there's still things that could be accomplished.
14 There's issues that we've talked about before in terms of
15 how to put together a grant application that's more likely
16 to succeed in terms of some grantsmanship issues. But I
17 think that's -- I think more -- I think the bigger issue
18 is whether companies have access to the information that
19 they need in order to go forward and know that they --
20 that we want to encourage. If you feel that the small
21 companies already know this there still may be a purpose
22 in doing this, but that's one of the big things that I
23 think it could accomplish.

24 MR. PESCATELLO: I would say this is like

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1 all other, you know, bio-science early stage research.
2 It's so early stage. There's been so much progress made,
3 but it's still so early stage for venture capital that
4 it's not that there isn't enough -- there are people
5 definitely monitoring it to see if there might be -- there
6 just aren't the for profit entities out there looking for
7 money from this type of fund.

8 DR. GOLDHAMER: I was really thinking of
9 this -- sorry Gerry. I was thinking of this -- that this
10 would really -- we've talked about this at other meetings,
11 that if a company was really going to get involved and
12 submit an application I assume it would be basic science.

13 That any science and any application that's closer to
14 clinical application costs so much more money that this
15 would be a drop in the bucket and probably not of much use
16 to them. So I was assuming that most of the kinds of
17 applications that we would get would be those that would
18 be basic science and would compete with the academic basic
19 science applications.

20 MR. PESCATELLO: But for profit companies
21 don't do basic research. I mean, they monitor the
22 academic research and when it's ready -- when the
23 academics are done with it in some sense, you know, when
24 they publish the papers and whatever and there's something

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1 there that's commercializable then --

2 DR. GOLDHAMER: Well, a lot of companies --

3 CHAIRPERSON MULLEN: Can I just ask --
4 sorry. How much more time? It's 2:00 o'clock just about,
5 so in the interest of the agenda --

6 MR. PESCATELLO: -- I mean, I would
7 probably do this different from the kind of, I mean, they
8 would not say they're doing basic research. I mean, that
9 they're doing development of basic research. They're
10 taking the ball so to speak from, I mean, I would say, you
11 know, a generation ago there was some basic research going
12 on, but I would say what you would think of as basic
13 research -- and I just have one quick comment. I think
14 the reason to do this might be more for the other
15 institutions out there, you know, who may feel aggrieved
16 that they're not -- that it's a Yale and UConn club.

17 A MALE VOICE: Hartford College --

18 MR. PESCATELLO: I think that the process
19 that we go through and the peer review speaks for itself.

20 But those people to feel that they're hurt and that they
21 understand the process, I mean, I think that's a reason to
22 do this. But I'm not so sure --

23 DR. FISHBONE: Can I ask one question of
24 Paul? I'm wondering if the mechanism doesn't already

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1 exist? I noticed that you send out regularly through CURE
2 the opportunity you bring in somebody to talk about
3 something and all of the businesses, biotech businesses
4 can respond to that. And I'm wondering if that might be
5 the venue whereby one could put out the information about
6 what the program is, what we're doing.

7 MR. PESCATELLO: Yeah. We certainly could
8 -- and remember we had the commercialization panel at the
9 StemConn conference, which certainly that, you know,
10 anybody who's interested in -- they would be attracted to
11 that.

12 DR. FISHBONE: Yeah.

13 DR. WALLACK: I think this is a program
14 that's run by the Stem Cell Advisory Committee. And I
15 think that it's very meaningful for people to get the
16 information from the Stem Cell Advisory Committee. So --

17 DR. FISHBONE: Right. But I'm just
18 wondering if that could be a mechanism where you could
19 bring together all of the biotech business people who are
20 involved and have us present to them rather than to start
21 from scratch to build up the program.

22 DR. KIESSLING: This is Ann Kiessling. I'd
23 like to make a comment. I -- is it okay?

24 A MALE VOICE: Yep.

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1 DR. KIESSLING: Okay. I agree with what
2 Paul said. I think we have talked a few times about
3 trying to raise awareness at the smaller institutions in
4 Connecticut and one of the thoughts that we've had in the
5 past to provide perhaps some kind of partnerships with the
6 larger institutions, more outreach to the smaller
7 institutions. Because I think that fundamental to
8 Connecticut's stem cell effort growing is growing it's
9 population of educated stem cell researchers. And some of
10 that education is going to come from some of the smaller
11 Connecticut institutions.

12 MR. PESCATELLO: And the flip side of it if
13 anybody's interested to have some like small group of two
14 or three, you know, venture capital people to come to talk
15 to us, you know, if they're interested in or their take on
16 the commercialization of stem cell research.

17 CHAIRPERSON MULLEN: Okay. So we have a
18 motion, there's a second on the table with regard to maybe
19 a forum, a half day event or something to bring in the
20 appropriate people from businesses, those that represent
21 either smaller institutions of higher education and
22 learning, or small research companies to come in and
23 learn. And we have a robust discussion following.

24 A MALE VOICE: One question.

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1 CHAIRPERSON MULLEN: Well, I am -- well,
2 pretty much without phrasing the motion again, do we have
3 a vote on the motion?

4 DR. KIESSLING: Is this a motion to bring
5 in some people to talk with us?

6 CHAIRPERSON MULLEN: No. It's to have some
7 kind of a half day event next fall where we talk to people
8 and they talk with us about primarily this program and how
9 one might craft a successful application for our stem cell
10 program.

11 MS HORN: Okay. We have a motion, we have
12 a second. All in favor?

13 VOICES: Aye.

14 MS HORN: Opposed? Okay. The ayes have
15 it.

16 CHAIRPERSON MULLEN: So Chelsey, can we get
17 you to canvas the group and --

18 MS. SARNECKY: Of course.

19 DR. GENEL: This is Mike Genel. I think we
20 have to be certain that the RFP for the next round is out
21 before you have that session.

22 CHAIRPERSON MULLEN: -- yep. I think
23 you're right and so this helps us move to the next item on
24 the agenda, which is our RFP. Thank you. And Chelsey can

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1 help find some committee members?

2 MS. CHELSEY: Yes.

3 CHAIRPERSON MULLEN: Thanks.

4 DR. FISHBONE: I have no expertise to offer
5 but I'll be happy to be on the committee.

6 CHAIRPERSON MULLEN: Alright.

7 DR. FISHBONE: And listen to the others.

8 CHAIRPERSON MULLEN: Okay. Listening?

9 Listening, that's a real skill. Listening.

10 (Laughter)

11 CHAIRPERSON MULLEN: You know it is. Okay.

12 MR. PESCATELLO: I'd be happy to --

13 MS HORN: Great. Okay. Then Paul's on
14 there. And I think Milt agreed to chair, so -- okay. So
15 Milt, you've mentioned a couple of things on the RFP. One
16 was reconsidering the dollar amounts that we had been
17 giving out and the other issue was whether we need to
18 clarify the core facility award. So those were two issues
19 that came up at the last meeting. There are I'm sure
20 others with the RFP.

21 MS. SARNECKY: I just have one comment on -
22 - about the core grants. I was thinking a little bit
23 about this and I was thinking of it more with my C.I. hat,
24 and Paul, you can probably talk to this if you agree.

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1 When C.I. makes an investment in a company, you know, we
2 have our initial investment and then we have our follow on
3 investments and then eventually there's a time when we
4 need to exit the company so it can grow and strive on it's
5 own. And I was thinking about this in light of the
6 discussion that we've had about the core grants, in
7 particular, Yale, from this last round, where half of the
8 group had said, you know, Yale is telling us that they
9 have to close their core unless we fund them and then the
10 other half of the Board was saying, well, that's too bad.

11 They need to figure out a way to get more funding. So I
12 know that there was a split on the Committee. But I was
13 curious if the Committee had ever thought about some sort
14 of matching fund mechanism where we don't fund the core
15 for two and a half million dollars as we've done in the
16 past, but we say, we'll give you X amount of dollars from,
17 you know, an investment from our fund if you can go and
18 raise that same amount elsewhere.

19 And I don't know if the Committee has ever
20 thought about that. If that's something that we can do?
21 Just so we can leverage the small amount of funding that
22 we have left a little bit better. And I know that the
23 cores are important to the State and important to some of
24 the Committee members and their points of view on the

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1 research, but I also know that it's not necessarily
2 sustainable to provide these cores all of this money
3 continuing every single year. So that was just one point
4 that I had that I was thinking about.

5 DR. FISHBONE: Good thought.

6 DR. WALLACK: So basically what you're
7 saying is that maybe there's a time at this point for the
8 institutions to look for philanthropic support or maybe
9 internal support, however they develop that to offset some
10 of the costs that they'd be looking to us for.

11 MS. SARNECKY: So, yeah. So let's say for
12 example that the grants that we had just funded at Yale,
13 the core grant for -- I think Dr. Lin had asked for --

14 DR. WALLACK: 2.5.

15 MS. SARNECKY: -- \$2.5 million and we ended
16 up funding that grant for one year, \$500,000, you know,
17 maybe instead of just saying, okay, well this is your last
18 chance, you're going to get one more year at \$500,000 and
19 then have the issue come up again next year, and this is
20 not for Yale in particular, it just happens to be an
21 example, you know, we can say in order for you to get your
22 \$500,000 grant from this fund you need to have \$500,000
23 coming in from somewhere else. Or maybe 50 percent
24 matching and \$250,000 coming in from somewhere else. So,

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1 you know, the research is now a \$750,000 grant and, you
2 know, we might get a little bit more bang for our buck if
3 we put some sort of requirement.

4 But again, I don't know enough about how
5 that works and how we could do that.

6 DR. WALLACK: Well, certainly Yale has
7 already gone that route I think. It was announced I think
8 early summer or late spring that they received 1.5 million
9 towards, I believe it was stated -- it could have been
10 misquoted, I think what I read was there was money
11 allocated -- donated for their core. So that Chelsey
12 that's to your point, something that's already been done.

13 The question then is however is the mechanism across the
14 board fair to all participants? Because certainly it
15 might be harder for -- I don't think that UConn for
16 example traditionally has access to the kinds of outside
17 philanthropic dollars.

18 MS. SARNECKY: I agree.

19 DR. WALLACK: So we would have to somehow I
20 think see if there can be a balance here. But I think the
21 idea of indicating to the institution that we have limited
22 resources and we can't continue to put that much money
23 into the core itself. We're very, very anxious to
24 continue to support your researchers, but now that your

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1 core is up and running, now that we've given you \$4.5
2 million over the last five years, whatever it may be,
3 which I think is a fairly accurate figure, maybe it's time
4 now to continue the process you've already begun and that
5 is to look for outside contributors to your core.

6 MR. PESCATELLO: Are you also saying that
7 for infrastructure funding we're kind of putting -- making
8 a separate requirement of matching funds? I mean, that's
9 not --

10 CHAIRPERSON MULLEN: I appreciate your
11 question, but I think it was a little bit off the point of
12 why we raised the issue for today's discussion. So we
13 probably should address it. My recollection is that part
14 of what we wanted to tackle after last month's discussion
15 was how we would handle the recurrent, okay, we'll fund
16 your core one more time even though we said we weren't
17 going to anymore. And you're presenting another way for
18 us to keep doing that when what we need to decide is
19 whether or not we want to address that specific question
20 that we raised last month. When we say we're funding core
21 for a certain amount of time and then it's up are we
22 prepared to say to people, that's it?

23 Now again, if we're not you've just given
24 us another way to think about it, but even then we need to

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1 be able to say that up front and not on the day that we're
2 deciding the dollars.

3 DR. GOLDHAMER: No, it would have to be in
4 the RFP.

5 CHAIRPERSON MULLEN: Right. But we
6 challenged ourselves to come back and address the very
7 issue. Are we willing to live with what we said we were
8 going to do or do we want to do something a little bit
9 different? And then, what might that be? Because last
10 month when we were staring at 9.8 saying this is it and
11 somebody else is losing out a lot of people were saying,
12 we have to find a way not to do this again next year. So
13 that's where I think the conversation should start or
14 where we need to get back to. Unless you want to just
15 keep it open ended, but then we're going to have other
16 issues.

17 DR. WALLACK: So is there a middle road?

18 CHAIRPERSON MULLEN: Well, before we get to
19 the middle road can we go back to remembering what we said
20 last month and do we want to start there? I mean, that's
21 the basic question I thought. I thought last month we got
22 to this, you know, very specific point about how are we
23 going to keep funding core? When we have said to an
24 institution two years in a row now that they're not

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1 eligible.

2 DR. KIESSLING: Can I say -- this is Ann
3 Kiessling. One comment about that.

4 CHAIRPERSON MULLEN: Um-hmm.

5 DR. KIESSLING: We've always wanted to be
6 open to be able to fund new technology that the cores need
7 so that even though the core for it's existing programs
8 are, you know, should be able to become kind of self-
9 sufficient. We always wanted to leave it open so that
10 anything that was really new that came along that
11 Connecticut institutions would have a chance for funding
12 some kind of new technology. That I think was part of our
13 RFA last time. And then I think it was Chelsey who was
14 speaking about the matching funds. That mechanism has
15 been very successful in California for some of their
16 programs. I don't know specifically if they have used it
17 for the core facilities, but they've certainly put out
18 RFAs specifically designed for institutions to be eligible
19 only if they could also come up with matching funds and
20 it's been a very effective lever for institutions to go to
21 their alumni and everybody and say, gee, this is an
22 opportunity we really shouldn't miss.

23 DR. GOLDHAMER: I'll add to that and say
24 that it's -- if you apply for a grant like Yale did for a

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1 core grant and it gets drastically cut, and this would be
2 true of UConn, it's very difficult to then go to the
3 University and say, you know, can you pony up the rest?
4 It's much more attractive to universities to, or you know,
5 it's much more attractive to tell the senior
6 administration at a university this is this opportunity
7 and if you can match our funds we have the opportunity to
8 bring you these dollars. So if they know -- so I think
9 it's the -- it provides up front leverage that is harder
10 to get after the fact. So if -- so I understand your
11 point that, you know, we have to discuss whether or not
12 these cores should be self-sufficient. But this matching
13 funds idea is I think something we should very seriously
14 consider and it's a way of weaning the universities off of
15 support while leveraging the dollars we have.

16 CHAIRPERSON MULLEN: So it sounds as if
17 people have identified the situations in which we would
18 want to extend the core longer than we might have planned?

19 DR. KIESSLING: I think only for new
20 technology.

21 CHAIRPERSON MULLEN: Only for new
22 technologies? Chelsey, you look a little bit puzzled.

23 MS. SARNECKY: I'm just thinking that last
24 year, and I totally agree with your comments about --

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1 starting with the first question first, do we want to keep
2 doing this, if so, what are the options, but that question
3 obviously needs to come first. I think the problem that
4 we got into this past round was we all sat around the
5 table this time last year and said, okay, well, what are
6 we going to do with the cores? We're going to not make
7 them a priority but we're not going to take them out of
8 the RFP altogether, which kept us in the position that
9 we're in in last month's meeting where someone said, well,
10 who determines what priority is? And what if, you know,
11 five people on the Committee think it's a priority and I
12 think we get a little, you know, the wording of the RFP
13 needs to be very specific because otherwise we'll find
14 ourselves here next year saying, well, it was the new
15 technology because it hasn't been done necessarily in
16 Connecticut. You know, there'll be some sort of, you
17 know, way to twist the words so we can fund this project
18 that everyone thinks has a lot of merit.

19 So I just get nervous using words like, you
20 know, a new technology or, you know, stuff like that
21 because I think that's what we did last year and I know
22 Marianne and I tried to be specific enough where we didn't
23 have to fund a core if we didn't think it was necessary.
24 But we gave ourselves enough wiggle room in the RFP, but I

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1 just get a little nervous with the wording because then
2 we'll just be in the same position that we're in.

3 DR. WALLACK: So I think one of the
4 problems that we're facing is that we're being asked to
5 consider \$2.5 million. Clearly 25 percent, more than 25
6 percent of the overall allocation. Would it be possible
7 to -- and I agree with you, we left that meeting thinking
8 we're going to come back and specify very, very
9 definitively that there'll be no core funding. So I --
10 that was -- so what you're hearing now I think is that
11 maybe that's too dramatic --

12 A FEMALE VOICE: Absolute.

13 DR. WALLACK: -- and absolute. But no one
14 here I don't think is saying that we should go back to the
15 original methodology of how we funded cores. In all of
16 these categories, including the cores, there's always been
17 a dollar amount. So maybe how we control the process is
18 establish a dollar amount that won't be that great a
19 percentage of the overall allocation for the year while at
20 the same time marrying that dollar amount to the idea of
21 really trying to stress the need of the university to
22 become self-sufficient by virtue of either internal
23 funding or philanthropic funding. That's how I see -- and
24 what that figure is I have no idea. It may well be that

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1 it's \$500,000. And if you then need more -- if you really
2 do need more than that that's your responsibility to
3 become self-sufficient.

4 DR. DEES: This is Richard Dees. Do you
5 want to try to write that in? Say, look, you can get core
6 funding for up to \$500,000 but only on the basis of one to
7 one matching or something like that?

8 DR. WALLACK: I have no problem doing that
9 Richard myself. I think that's a very good suggestion.

10 DR. FISHBONE: I have a slightly different
11 point of view. We're not a foundation who every year has
12 money to give out. I think of us more as a start up
13 organization. You know, we got the cores going, we've
14 funded them for five years and I think if stem cell
15 research, whether it's embryonic or any other kind, is --
16 we obviously cannot be the supporters, the sole supporters
17 of stem cell research. I think at some point, and I think
18 the point is probably now, we have to say to them, we've
19 given you five years of support. You have to go to your
20 universities or to your donors for continuation of support
21 because we have a limited amount of money and a limited
22 amount of years to give it out and we think it's more
23 important not to do maintenance, but to try to encourage
24 new researchers and fund new research.

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1 So although it's obviously very hard to do
2 I think both UConn and Yale have to decide if stem cell
3 research important enough that we will find the money one
4 way or another to fund the basic blocks and not, you know,
5 and we'll be happy to fund new research, new ideas, new
6 people coming into the field. That would be my feeling
7 about it.

8 MS. SARNECKY: I just have a quick comment
9 or I guess it's more of a question. The new researchers
10 that we would be funding if we do not decide to give any
11 money to the cores, wouldn't they be using the core
12 facilities to do their research? So it's, you know, I
13 don't really know what that means, but just --

14 DR. WALLACK: No, that resonates personally
15 with me and that's sort of what I was trying to say to the
16 Commissioner and that is that I think that we ought to be
17 considering some degree of funding, certainly much less
18 than we have -- because we just can't afford that type of
19 funding that we had done in the past and make sure again,
20 we reinforce strongly the idea of internal and/or
21 philanthropic giving. And to Richard's point, you know, I
22 don't know how you'd tie it together to a dollar amount
23 but maybe the one to one ratio isn't a bad idea. I don't
24 know. And if so, maybe we -- since I don't think the

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1 cores need 500,000 a year --

2 DR. FISHBONE: Maybe up to a point because
3 they could come in with 1.5 million and then we've got to
4 come up --

5 DR. WALLACK: -- right. Well, that's --
6 right. And that's what I was going to say. So maybe the
7 500,000 isn't even the proper point, maybe it's a lower
8 point. Because I think that -- I'm just using this as an
9 example, as the latest experience, if they're asking for -
10 - if they're asking for \$800,000 on an annual basis, 2.5
11 four years, so you deal with dollar amount if that's a
12 real figure and I assume that it is \$400,000 is our upper
13 limit going to Richard's thing if you then raise dollar
14 for dollar we will then give you 400,000 as the uppermost
15 limit.

16 MR. PESCATELLO: Is there any evidence that
17 the expenditures remain on the cores so far has itself
18 leverage? I mean, I just don't know. So I mean, have
19 there been extra Federal dollars coming in --

20 DR. WALLACK: Yeah.

21 MR. PESCATELLO: -- for researchers because
22 of the cores? That would convince me to say, well, we
23 should definitely reduce to the cores.

24 DR. WALLACK: Yeah. So Yale, I don't know

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1 about UConn, Yale has gotten 25, 35, I forget the figure,
2 million dollars of outside state funding, \$35,000,000
3 based upon the existence of the core. The other way that
4 that was leveraged is that it was an incentive originally
5 as you know for the establishment of the Amistad building
6 as the site, which was a huge commitment on the part of
7 the University. So, you know, I think that -- I don't
8 know what UConn's figure was, but -- do you know what it
9 was?

10 DR. GOLDHAMER: I don't know the figure off
11 the top of my head, but it's significant.

12 DR. WALLACK: It's millions.

13 DR. GOLDHAMER: It's definitely in the
14 millions. It's fair to say that without the cores there
15 would have been millions less in Federal and other agency
16 dollars coming in for this type of research.

17 MR. PESCATELLO: So in terms of short term
18 investment --

19 DR. DEES: (Indiscernible, telephonic
20 testimony) realize that one third of the internal funds
21 from NIH come in direct costs from those grants can
22 certainly contribute to the operation of the core.

23 CHAIRPERSON MULLEN: So the money gained
24 through NIH grants can -- the indirects from those can be

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1 used for the core.

2 MR. PESCATELLO: But again, just as a short
3 term investment then that to me sounds like a pretty good
4 return. I mean, finding the cure for cancer would be
5 great, but in terms of the short term, you know, several
6 multiples of what we put in is pretty good.

7 MS HORN: But is there any indication that
8 that flow of money would stop if we stopped funding the
9 day to day operations of the core?

10 MR. PESCATELLO: Yeah.

11 DR. GOLDHAMER: Again, I can't predict
12 that, but knowing the general financial climate at UConn I
13 think it would be extremely difficult for operations to be
14 maintained as they are without any support from this
15 Committee. I really like the idea of matching funds. I,
16 you know, I was not in favor of a complete cutoff and that
17 we should kind of wean them over time and I think having
18 this matching fund kind of formalizes this arrangement and
19 the minimum would be matching, but to really run the cores
20 the way they're accustomed to running would probably
21 require more than matching funds from the University. But
22 that would be up to the University to add that additional
23 amount. But if we had the minimum of a match with, I
24 don't know, 400,000, possibly 500,000 as the maximum from

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1 this Committee to me that makes a lot of sense. I know
2 there's lots and lots of people, you know, who still
3 require core support and new people coming into the field
4 all the time at these universities, you know, who really
5 rely on the core support to get going. So that makes a
6 lot of sense to me to really lower the dollar amount but
7 supporting that.

8 DR. WALLACK: I still think the 400,000,
9 you know, just doing the math off the top of my head just
10 from what they presented is maybe -- I'm saying that only
11 because I know every dollar is absolutely critical, we went
12 through that July 19th, but if somebody wanted to suggest
13 500,000 I certainly would, you know, would go with it, but
14 I don't -- again, \$100,000 to me is a lot of money.

15 CHAIRPERSON MULLEN: Right. So is it
16 really the actual dollar figure or it's at a proportion of
17 what the original award was? So, you know, we're saying
18 that 500,000 based on a two and a half million dollar
19 request. So --

20 DR. FISHBONE: That's what they requested
21 each time for each --

22 DR. WALLACK: Right. Well, that was the
23 figure that has been there so they --

24 DR. FISHBONE: -- they asked for it.

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1 MR. PESCATELLO: I mean, I would put a
2 higher -- if we're going to have a matching fund I would
3 put a higher -- because if somebody can come in, you know,
4 get \$2,000,000 for \$2,000,000 that's a great -- and
5 they're going to do good things with it.

6 DR. FISHBONE: Would we have to give them
7 2,000,000 if they came up with 2,000,000?

8 MR. PESCATELLO: In terms of our limit, I
9 mean, they could come in with an application for 500,000
10 because they've got 500,000, but if they could get
11 2,000,000 from the outside, I mean, we're free to say no.
12 But -- but we'd limit ourselves ahead of time.

13 MR. WALLACK: The point is though -- right.
14 Limit ourselves, but I think what's really interesting
15 about this possibility of the matching funds is that it
16 energizes the process on the university side or whatever
17 side that is to really gear up to try to see how much they
18 can -- and if they raise because of that Paul \$1,000,000
19 instead of an additional \$400,000 that's all the better.
20 But it gives that -- it gives David an opportunity to go
21 to his donor and say to John Smith, John, you know, if you
22 are going to contribute X you're going to enable me to get
23 -- I mean, as a donor I'm pretty excited about the
24 opportunity to double my gift.

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1 MR. PESCATELLO: Oh, yeah, yeah, yeah,
2 yeah. I was just -- I'm saying to leave ourselves open
3 for a larger gift.

4 DR. WALLACK: Oh, yeah. He can raise
5 whatever he wants on the other side.

6 MR. PESCATELLO: No, but I'm saying it's
7 very unlikely that a donor -- if we limit ourselves to
8 500,000 or 400,000 that a donor would give \$1,000,000 to
9 get 400, but if you say you give a million I can get a
10 million.

11 DR. WALLACK: No, no, no, I wouldn't do
12 that. I wouldn't do that. We don't have that kind of
13 money. We don't have that kind of money.

14 MR. PESCATELLO: Well, I mean, I was just -
15 - I'm just saying I would leave ourselves open if somebody
16 came in with a really good application we don't want to --

17 DR. WALLACK: With all due respect that's
18 what happened to us before and then we got into trouble.

19 DR. FISHBONE: We got into trouble.

20 DR. WALLACK: And I would -- one thing
21 Commissioner that comes out of what you said we have to be
22 very definitive, yes, no, or how much.

23 CHAIRPERSON MULLEN: Right. So -- and it
24 sounds in the conversation we answered the question that

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1 we do want to have some flexibility around core but that
2 we'd want more clarity around the institution's
3 demonstration of their efforts towards the sustainability
4 of the work. Yeah? And that part of that reflects that
5 they are going to match three to one, four to one.
6 They're going to match whatever we have at least one to
7 one and that maximally after a certain time period or
8 maximally our continuation would be a dollar figure or I
9 only said a proportion because if it was 500,000 but the
10 original request was 1,000,000 it's very different than
11 500,000 out of 2.5 million. So perhaps we could figure
12 out what those specifics are, but we have a much greater
13 sense now for the RFP what it's going to be.

14 DR. DEES: Richard Dees. One -- I have a
15 comment. One thing about having the matching funds is
16 that you can then dial it down as we're going through the
17 next four years. We can say, one this year, one to two
18 next year, one to three the following year while we keep
19 making our contribution less (indiscernible, telephonic
20 testimony) more.

21 DR. WALLACK: I would be willing to second
22 a motion that I think originated with Richard. Richard,
23 if you are still wanting to make the motion and hopefully
24 you would make the motion at \$400,000 I'd be willing to

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1 second your motion on the matching.

2 DR. FISHBONE: Did he make the motion?

3 DR. DEES: I did make a motion. I did not
4 make a motion at 500,000.

5 DR. WALLACK: Okay. So is there a motion
6 on the floor at 500?

7 MR. PESCATELLO: Just can I ask one
8 question before --

9 CHAIRPERSON MULLEN: There is no motion
10 yet. Nobody's -- so I appreciate your willingness to
11 second something we haven't heard.

12 DR. DEES: I'll make the motion.

13 DR. FISHBONE: He's making the motion.

14 MR. PESCATELLO: But on a typical grant
15 where the university takes, you know, 60 percent for what
16 I otherwise would call overhead, does that overhead cover
17 -- does that go to the core? Just to some core costs?

18 DR. GOLDHAMER: No. That would have to be
19 a special arrangement which I think at least UConn would
20 be difficult to manage. They don't usually make those
21 kinds of arrangements. What happens to the 60 percent
22 your guess is as good as mine. It goes to various --
23 there's infrastructural -- yeah. But --

24 DR. DEES: But there's sources other

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1 universities use to fund these things and this the sort of
2 arrangement that would need to be argued at UConn that
3 you're going to need that support (indiscernible,
4 telephone testimony).

5 DR. GOLDHAMER: I think it would probably
6 be more likely that, you know, you don't worry about the
7 indirects, but you negotiate with your dean or your pro
8 V.P. and separately you say, okay, you know, just keep it
9 in terms of, you know, matching the direct costs rather
10 than asking for special --

11 DR. DEES: They usually don't really care
12 where the money comes from, right.

13 DR. FISHBONE: Did you make your motion
14 Richard?

15 DR. DEES: I did make a motion.

16 DR. FISHBONE: Could you repeat it?

17 DR. DEES: The motion was for having
18 continuing core funding more under the terms that we had
19 the maximum award of \$500,000 with the proviso that every
20 dollar that they get from us is being matched one for one
21 from some other source.

22 DR. WALLACK: I'll second your motion.

23 CHAIRPERSON MULLEN: And this continuation
24 is after the original award period, which might have been

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1 multiple years? Or is it -- do you understand my
2 question?

3 DR. FISHBONE: The original was for four
4 years.

5 CHAIRPERSON MULLEN: Right.

6 DR. WALLACK: We only have I think on the
7 books right now one grant that's still -- a core grant,
8 that's the UConn core grant --

9 DR. GOLDHAMER: UConn will be coming in
10 next year.

11 DR. WALLACK: -- next year.

12 CHAIRPERSON MULLEN: Okay.

13 DR. WALLACK: And Yale is over, they're
14 working on a year to year already.

15 CHAIRPERSON MULLEN: Okay.

16 DR. FISHBONE: We didn't fit into the Yale
17 one anything about matching funding.

18 DR. WALLACK: Well, we didn't actually fund
19 that.

20 DR. FISHBONE: Yeah. But I'm saying they
21 didn't have a matching fund --

22 DR. WALLACK: They were lucky. They stayed
23 at five.

24 MS HORN: Could I just clarify the motion

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1 Richard? It's Marianne.

2 DR. DEES: Maybe.

3 (Laughter)

4 MR. PESCATELLO: This is just to go in the
5 next RFP, some distillation of this concept.

6 MS HORN: Yes. Yes, yes, yes. So that you
7 said you wanted to continue with the funding as we had
8 been so --

9 DR. DEES: I mean, if you looked at the --
10 I was looking at the last RFP and it's still pretty broad
11 --

12 MS HORN: -- right.

13 DR. DEES: -- what it asks for. I mean, it
14 was -- it was certainly open to the interpretation that
15 they could ask for continuing funding even though that
16 wasn't a priority. So we could -- I mean, I'm not sure.
17 I'd like somebody else to work out the language exactly,
18 but --

19 MS HORN: Yeah. I'd have to do that. I
20 just wanted to make sure that we understood that -- my
21 understanding was that we were not looking to fund the
22 continuing operations of the core but we were looking to
23 fund novel or unusual scientific merit regardless of
24 whether that was clear or not. So is this -- this motion

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1 though I'm a little confused about whether it would
2 continue operation.

3 DR. WALLACK: This motion from what I
4 understand is not as specific as what (indiscernible,
5 background noise) was talking about.

6 CHAIRPERSON MULLEN: And that's what the
7 group wants?

8 DR. DEES: Yes. I was leaving it open
9 broadly. I think so we don't -- because I think the -- I
10 mean, I think the cores are really important because they
11 do so much support work for everybody else and it's hard
12 to be in this position where we're going to say, oh well,
13 we're just going to cut you off entirely. So I was
14 thinking, let's wean them.

15 DR. WALLACK: So can I ask another
16 question? If we're open -- it's on the table for
17 discussion.

18 MS HORN: Well, do we have a second?

19 DR. WALLACK: I seconded. Alright. So
20 number one, I would still question whether or not the
21 maker of the motion would accept an amendment to \$400,000
22 and I would put that out there as a possibility.

23 DR. DEES: I guess I'd like the Committee's
24 opinion on that.

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1 (Indiscernible, multiple voices.)

2 DR. WALLACK: The second thing is how do we
3 protect ourselves? Shouldn't we have an amendment to the
4 motion that the cores can only come back to us after X
5 numbers of years? Because what I'm seeing here also, and
6 I like the motion, but I don't want to be caught down the
7 road with seeing them come back every year which would in
8 effect be an annual allocation possibly if we chose to do
9 that, to fund them. So what I'm asking is should we not
10 have a stipulation in there that the cores can only come
11 back every second year or every third year? I mean, I'm
12 only asking that as a question.

13 DR. DEES: I guess what I was thinking is
14 there's a limit of \$500,000. If they want 500,000 for one
15 year then it's going to be a different RFP next year.
16 What I was actually thinking was the RFP next year we're
17 going to require more matching.

18 DR. WALLACK: But my question is -- David,
19 do you have an answer to the question?

20 DR. GOLDHAMER: Well I was going to just
21 say that one way to word that would be that they could
22 only come back in their last -- in the last year of
23 funding. So if it's a three year grant they can come in
24 so that there's continuity after that third year. So if

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1 they have a three year grant they can't come in in year --

2 DR. WALLACK: So the 500,000 can be for a
3 three year grant?

4 DR. GOLDHAMER: -- so however long the
5 grant is, you know, if it's a one year grant and they ask
6 for 500,000 we're going to be less likely to fund that
7 given the sentiments around the table than if it was a
8 four year grant. If it's a four year grant we can
9 stipulate that they can't come in for additional funding
10 until after their third year so it's for continuity rather
11 than kind of playing the system and coming back every
12 year.

13 DR. GOLDHAMER: Right. That's what I'm
14 asking.

15 DR. DEES: Yeah. Well, I think that's
16 fine. I like that better.

17 MR. PESCATELLO: So eventually -- I mean,
18 would it be -- so we're trying to come up with a policy on
19 core -- funding core facilities? So would it be helpful
20 to have representatives from the core facilities come to a
21 future meeting before we make a decision to hear about --
22 hear more about the cores and how they function and are
23 funded --

24 (Indiscernible, multiple voices.)

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1 MR. PESCATELLO: -- I personally would
2 benefit, but I mean --

3 DR. HISKES: This is Anne Hiskes speaking
4 up. You don't want to make a decision in the dark sort of
5 guessing.

6 CHAIRPERSON MULLEN: Even if it's not to
7 tell us how it works it might be to tell us if we're
8 modifying this what would work best.

9 DR. HISKES: Right. Exactly.

10 MR. PESCATELLO: -- the challenges they
11 face or, you know --

12 DR. WALLACK: So what if we adopted a
13 proposed approach and then let them know what our proposal
14 was, have them come in -- and commit ourselves to letting
15 them come in and respond to our proposal at the next
16 meeting? Okay?

17 DR. DEES: That's good.

18 DR. HISKES: I like that idea.

19 CHAIRPERSON MULLEN: Would you like to
20 phrase an amended motion?

21 DR. WALLACK: So I would amend it to say
22 that -- that -- how would you say this David about the
23 years? They could only come in at the conclusion of a
24 three or four year period?

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1 DR. GOLDHAMER: It'd have to be period four
2 so there's continuity.

3 DR. GENEL: Hold on guys. I'm almost
4 there.

5 DR. WALLACK: So they cannot come in until
6 the penultimate year --

7 DR. GENEL: Don't adjourn the meeting till
8 I get there.

9 MS HORN: Okay.

10 DR. WALLACK: -- alright. So they can't
11 come in till the penultimate year and also that we would
12 amend it in addition to after we adopt -- if we adopt this
13 motion to have -- to be open to their coming in to respond
14 to the heads of -- the leaders of the core to respond to
15 our motion -- to our adopted policy, newly adopted policy.

16 CHAIRPERSON MULLEN: Well, I think you were
17 okay until they can come in because we're asking them to
18 come in the year before, but before we finalize exactly
19 what we're saying to them we want some feedback about
20 what's the best way, what's the best set of expectations
21 or how to best craft the policy. We want to be well
22 informed in what we ask people to do.

23 DR. HISKES: Right.

24 MR. PESCATELLO: Yeah. And I think the

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1 minutes will reflect we had a good discussion. We don't
2 need a motion. The motion would come next time after --
3 after we heard the -- I mean, all sorts of things can
4 happen. I mean, we could learn -- we could come to the
5 conclusion that one way or the other UConn and Yale will
6 find the money and they don't need, you know, I doubt
7 that, but that's one -- that's one --

8 CHAIRPERSON MULLEN: Especially if we say
9 it like that.

10 MR. PESCATELLO: -- well, we could see that
11 there's, you know, there's something very fundamental
12 going on and without it we're going to really, you know,
13 hamper stem cell research in Connecticut. So I think it's
14 -- I personally don't know, unless I've missed something
15 in what I've read, I just don't have a good sense of what
16 the cores -- how they function and their funding and
17 they're -- the relationships at the universities so I'd
18 like to hear what the universities have to say.

19 DR. HISKES: Well, I'm concerned that the
20 directors of the core, particularly the director of the
21 UConn core is funded by this grant and it's very hard for
22 a public institution to pick up somebody's -- to create a
23 new line so it would be more complicated for a public
24 institution perhaps to maintain staff than for a private.

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1 MR. PESCATELLO: And that's useful
2 information to hear and it also gives us the opportunity
3 to say, to ask, you know, point blank, you know, if you
4 don't get our funding and you're telling us you're not
5 going to get funding from the outside world why is that?
6 You know? And I'd like to hear the answer to that if
7 that's the case or is it just they don't want to go to the
8 outside world. I just don't know.

9 DR. WALLACK: I think we have -- if they're
10 going to come here I think they have to understand in a
11 very specific way what we are thinking of proposing --

12 DR. HISKES: Right.

13 DR. WALLACK: -- so therefore if you don't
14 feel we have to have or should have a final vote on this I
15 think that what we could do is table the motion and if the
16 Commissioner would be so inclined to accept the table I
17 would then vote -- I would then offer a motion to table
18 this resolution -- this motion to a point at which time --
19 to first have the representatives of the cores come to us,
20 let them know what motion we've just tabled while we wait
21 for their discussion at the table. So I would -- so we
22 have the motion, would you be amenable to tabling the
23 resolution -- the motion at this point for the invitation
24 to come?

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1 CHAIRPERSON MULLEN: It's fine to table the
2 motion. You want to say something?

3 MS. SARNECKY: I don't know if this is the
4 -- I don't know if there's a motion on the table or if we
5 can discuss this, but I was just going to say that I can
6 relay the information and the discussion that we have here
7 to the cores, to the grant managers, to everyone that
8 needs to know what happened. I can obviously provide them
9 the minutes but I, you know, work very closely with Yale
10 and UConn especially with the cores. So I can relay this
11 information to them and be kind of that first, you know,
12 triage of whatever questions that they have for me based
13 on the discussion we had here today and then say, now do
14 you get the picture where the Committee is going with
15 this? So they can then come into the following meeting
16 and, you know, hash everything out at the level that we're
17 on.

18 CHAIRPERSON MULLEN: And I think that's
19 good because it's fine for them to just hear would we
20 consider whether or not to just pull the rug out from
21 underneath everybody altogether and as we consider a
22 better way to transition people to their own self-
23 sufficiency we wanted some feedback so that we could then
24 come back and decide what was going into the RFP. Because

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1 then we have an RFP that is sufficiently informed by
2 potential grantees, but not overly influenced by them.

3 DR. WALLACK: So to that effect can we go
4 on that process and I'll table -- I'll move to table the
5 motion? You have a motion on the table.

6 MS HORN: I think we can just ask the
7 motion maker to withdraw the motion.

8 DR. WALLACK: If he wants to do that. I'd
9 be willing to --

10 MS HORN: Because I think we might come up
11 with a very different motion after we have the discussion.

12 DR. WALLACK: -- okay. I'm willing to
13 withdraw my second if Richard wants to -- Richard, are you
14 willing to withdraw your motion?

15 DR. DEES: Yeah. I'm willing to -- I'm
16 willing to -- I'm not sure what the parliamentary -- well,
17 whatever I need to do here I'm willing to do.

18 DR. FISHBONE: Withdraw.

19 MS HORN: You can just withdraw your
20 motion. That's great. Okay. The motion is withdrawn.

21 DR. KIESSLING: This is Ann Kiessling. I
22 have one question.

23 MS HORN: Yes Ann?

24 DR. KIESSLING: When is the RFA -- when do

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1 we want to release it?

2 MS HORN: Last year we put out a request
3 for an intent, that was due December the 3rd, and January
4 -- early January was when we got the proposals in. It was
5 a little later than we've done in other years.

6 DR. KIESSLING: Alright. Because I think
7 we'd like to have the RFA out by early November, right?

8 MS. SARNECKY: Marianne, do you remember
9 when we sent it out last year?

10 MS HORN: Yes. December 3rd was the date
11 we sent the letter of intent deadline was December 3rd,
12 proposal submission deadline was January 14th.

13 MS. SARNECKY: Do you remember when we sent
14 it?

15 MS HORN: I think it was about a month
16 before.

17 MS. SARNECKY: A month before.

18 MS HORN: So it was -- so November.

19 MS. SARNECKY: Okay.

20 MS HORN: But I think what we need to
21 tighten up on is the peer review process. I think getting
22 into July and doing the grant review was hard.

23 DR. GOLDHAMER: I think this year if we're
24 considering matching funds we should try to get the RFP

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1 out earlier because it will take some time for the core to
2 talk to the university and try to secure funding. So the
3 sooner the better.

4 DR. KIESSLING: So we would need to
5 finalize thinking about the RFA in the September meeting,
6 correct?

7 MS HORN: Well, we're going to have the --
8 we are in August, we're going to have the universities
9 come in and speak to us in September. I suppose we could
10 get it finalized. I don't think there was an awful lot of
11 else that was out of kilter other than perhaps
12 reconsidering some of the dollar amounts and the
13 established investigator applying as a seed grant person.
14 So that shouldn't take too long.

15 DR. KIESSLING: Okay. So we could actually
16 maybe have it released by early October or mid-October?

17 MS HORN: We could do that.

18 DR. KIESSLING: Great.

19 DR. FISHBONE: I just have one question.
20 What if they come in and say they can't function without
21 our funding? What can we do about it? I'm afraid we're
22 setting ourselves up because they're going to come in and
23 say I don't think we can keep going.

24 DR. HISKES: Well, they have evidence. We

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1 have their former budgets.

2 CHAIRPERSON MULLEN: I mean, not even
3 because I work for government right now a lot of people
4 can't function without things that aren't available to
5 them, but they're going to have to figure out how and I
6 think -- I think this is another example of that. I mean,
7 you know, in the public health world we're deciding
8 between things like needle exchange versus reminding
9 people to buckle their seatbelts, that's just, you know,
10 an example.

11 DR. FISHBONE: I can't imagine them coming
12 in and saying --

13 DR. GOLDHAMER: Yeah, I agree with you. If
14 you pose the question, can you survive without this? And
15 they know that it's going to -- that is going to determine
16 whether this is written into the RFP they're going to say
17 they can't survive without it probably. But it still
18 would be -- it still would be useful. There would be an
19 exchange, there would be a conversation and it won't, you
20 know, so I think it's a reasonable thing to do.

21 MS HORN: We also provide in the RFP that
22 they should be developing mechanisms to help their own
23 sustainability such as charging researchers in the other
24 institutions.

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1 DR. GOLDHAMER: Right, right.

2 MS HORN: They could build that into their
3 grant. So we're looking for some creativity on their part
4 given the fact that we twice now have said we're not
5 funding anymore and now we're hesitating a little bit.

6 DR. GOLDHAMER: The RFP really doesn't say
7 we're not funding it --

8 MS HORN: I know. I know.

9 CHAIRPERSON MULLEN: You know, we're
10 talking to institutions that have numerous grantees. So
11 they have to also do what everybody does in their home
12 budgets, which is look and say what are we doing in our
13 institution? What are we doing in our organization and
14 whom do we support how? And that puts some of it back on
15 them. Because you both have pointed out, we have limited
16 dollars and four years from now I don't know.

17 DR. HISKES: What did the California
18 program do about cores?

19 CHAIRPERSON MULLEN: I have no idea.

20 MS. SARNECKY: I think -- Ann Kiessling, do
21 you have any insight into that?

22 DR. KIESSLING: Well, you know, I've been
23 thinking about that. The cores were -- it's kind of a
24 different competitive process. Their cores, a big part of

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1 whether or not they got funded depended upon the teaching
2 program they had in place. So in the end they funded, you
3 know a few cores. And I believe it was one round of
4 funding, period. I can certainly find that out. I was
5 just thinking about that. It would be very useful
6 information for us to see if the cores were allowed to
7 come back. But I think it was one round of funding based
8 on -- and part of it was not just so much acknowledging
9 need, but they really wanted to get a lot of people
10 taught. So their plan for teaching investigators around
11 the state was a major consideration for their funding.

12 DR. WALLACK: Can I just respond to Gerry
13 and that is that I would be -- and to the group, I would
14 be offended frankly if they came in and said, all or
15 nothing. And it would send me personally an absolutely
16 wrong message. Especially in light of Richard what you
17 just indicated. The environment out there today, not only
18 through DPH, but in general, in society and government in
19 general, so -- and I think that's the message that has to
20 be transmitted to them. This is not a discussion I don't
21 think about all or none. This is a message of
22 accommodation and compromise.

23 DR. HISKES: Right. It's a conciliatory
24 gesture.

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1 CHAIRPERSON MULLEN: Please, just save that
2 passion in case we need you to pull it out.

3 DR. WALLACK: I won't forget it.

4 CHAIRPERSON MULLEN: Okay. Does everybody
5 want to take a moment? Or just -- you don't have to all
6 go together, but --

7 DR. FISHBONE: Yeah, we could.

8 MS HORN: Okay. So yeah, we need to rock
9 and roll here.

10 (Off the record)

11 MS. SARNECKY: So you want me to take the
12 lead on the next agenda item? Agenda item five, these are
13 the budget revisions that we need approval for from the
14 Committee. These were some grants that we cut the funding
15 from what they initially requested at the grant review
16 meeting and I put in the agenda here the amount that they
17 requested and then the amount that we reduced them to and
18 I should have -- I did get one budget this morning, so I
19 don't think anyone has that. So I don't know how we want
20 to handle this with the people on the phone.

21 DR. WALLACK: So can I just ask you a
22 question about it?

23 MS. SARNECKY: Of course.

24 DR. WALLACK: The -- what we have to

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1 approve I think is the adjusted budget. Have any of the
2 applicants indicated that they're rejecting? No. So
3 basically therefore what we're being asked to vote on is
4 what we voted on in July?

5 MS. SARNECKY: Yes. Although in July all
6 we saw was the budget that the actual numbers that
7 supported the amount that they requested where each line
8 item -- or how each line item was being funded. This is
9 essentially the same thing but reduced. If you look up
10 here it's showing in the direct costs, indirect costs,
11 total costs, for each of the years broken out because
12 usually we -- the Committee prefers to see the actual
13 budgets broken out. I know we already approved the amount
14 that we wished to fund them, but in the past we've
15 approved their revised budgets.

16 We don't want for example Dr. Drissi asked
17 for \$749,000 and the Committee saw his budget for \$749,000
18 over the course of his grant. Well, now we have a
19 \$650,000 budget. For all we know he could be giving
20 himself \$650,000 and no one would know. So this is a
21 mechanism to make sure that everything looks as though
22 it's going in the right direction.

23 MS HORN: So Chelsey, nobody --

24 DR. DEES: Is this about Drissi's budget at

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1 all in that last, you know, (indiscernible, telephonic
2 testimony).

3 MS. SARNECKY: No I do not, I just got
4 this. So it was put on the agenda in hopes that I would
5 get it by the deadline. So I can forward it. If
6 everyone's near their computer now I can forward it.

7 MR. PESCATELLO: Would it slow up the
8 process in terms of actually writing the checks to just
9 put it altogether and then, you know, for us to review
10 later and vote on it next meeting? Because probably from
11 years past we'll agree to everything, there won't be any -
12 - and we could just have one vote after we've reviewed it.
13 But this will be hard to go through it all collectively.

14 MS HORN: Well, everybody got the other --
15 the other ones, correct?

16 MS. SARNECKY: Yeah.

17 DR. WALLACK: I'm assuming that Chelsey
18 you've looked at -- well, somebody's looked at these and
19 has screen this.

20 MS. SARNECKY: Yes.

21 DR. WALLACK: So you made a good point
22 about the -- where's it going? Have you seen any -- so
23 there's nothing for us to -- there's nothing to alert us
24 about that?

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1 MS. SARNECKY: You know, over -- just from
2 looking at these few that we've gotten I would -- I would
3 say that the majority of these grants that had to reduce
4 their budget reduced their line items by let's say 20
5 percent. So if they're, you know, it's pretty even across
6 the Board. They're not going to say, well, we're going to
7 reduce our, you know, our supplies by 90 percent and just
8 put that off, you know, it's pretty across the board.

9 DR. GOLDHAMER: Did you find any cases
10 where an investigator requested that they reduce the scope
11 of the grant to remove a name? I think that is something
12 that we'd want to know about for sure and this does
13 sometimes happen when budgets are reduced. Other than
14 that I think probably, you know, across the board cuts we
15 don't need to concern ourselves with too much I don't
16 think.

17 MS. SARNECKY: The only one -- I guess if I
18 could make a recommendation the only one that I am not
19 necessarily uncomfortable with, but just have -- I just
20 want to be cautious is the group grant Carolyn Dealy, only
21 because it's not a UConn monitored, Yale monitored grant
22 and I don't -- I've never worked with a private company's
23 budget before in this situation. I would feel more
24 comfortable if the Committee looked at that one. But on

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1 the other ones it's pretty across the board reduction in
2 each line item.

3 DR. WALLACK: So can we proceed on that
4 basis? To go on your recommendation of the other ones?

5 MS. SARNECKY: I don't know. What do you
6 guys want to do?

7 DR. WALLACK: I mean, Commissioner, can we
8 go and look at --

9 CHAIRPERSON MULLEN: I mean, I think so. I
10 mean, any time that an across the board cut, percent cut
11 would make you look at a single line and say, but that's
12 not doable, I would flag a change in the aims. This is
13 the revised budget justification for Dr. Dealy.

14 MS. SARNECKY: Dr. Dealy actually had a lot
15 of different attachments.

16 A MALE VOICE: There are nine attachments.

17 MS. SARNECKY: I'm trying to think of the
18 easiest way to bring these all up on the computer.

19 CHAIRPERSON MULLEN: Yes. I'm very
20 comfortable with our not going dollar by dollar, section
21 by section.

22 A MALE VOICE: I was looking forward to
23 that, but if you don't want to --

24 (Laughter)

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1 CHAIRPERSON MULLEN: (Indiscernible,
2 talking over each other).

3 MS. SARNECKY: And this is -- this is an
4 interesting situation too and I know Dr. Goldhamer, you
5 can't comment on this particular grant as it pertains to
6 the Health Center, but maybe you can shed some light on
7 the accounting of all of this? I know there's a
8 subcontract back to UConn in this where there's the direct
9 costs and the indirect costs with a private company. I
10 just don't know --

11 DR. GOLDHAMER: I really can't. I don't
12 know the specifics of this grant.

13 DR. GENEL: It is noteworthy that they say
14 under budget justification that these funds are absolutely
15 necessary to complete the cost of this project.

16 MS HORN: Chelsey, who reviewed this for
17 the grant meeting, do you recall?

18 MS. SARNECKY: I can bring it up.

19 DR. FISHBONE: I did.

20 DR. DEES: I did. I did.

21 MS HORN: Okay. And do you recall --

22 DR. DEES: This is Richard Dees. I did.

23 MS HORN: -- okay. I'm just wondering if
24 it would be most efficient to have you folks take a look

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1 at it and let us know if you're --

2 DR. FISHBONE: Well, I did.

3 MS HORN: -- you did. Okay.

4 DR. FISHBONE: In fact, I spent most of
5 yesterday evening to try and understand it. And, you
6 know, they had decreased the time of the primary
7 investigators, P.I. and co-P.I., from 7.2 months to 3.6
8 months. They had increased the time of professionals from
9 28.8 months to 36 months. And in general they had reduced
10 most of each component, you know, supplies instead of
11 105,000 they were 96,000. The only difficulty I had was
12 that they were moving some stuff from the Chondrogenics
13 budget into the UCHC budget and I had a little difficulty
14 in figuring that out and the reason for that.

15 But basically the original UCHC subcontract
16 was 123,000 -- actually 1,123,000 and they reduced it to
17 1,037,000. And the total budget was 1.6 -- 1,635,000 and
18 they reduced it to 1,290,498. So they did some moving
19 around, basically reduced most things and converted I
20 guess their salaries a little bit to professional salaries
21 and increased those. But they came out with the right
22 number, which was, you know, 1,290,498. So it was just a
23 little hard to follow and I finally figured out by putting
24 the numbers from the old one on the new one and seeing

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1 where the changes were.

2 So they came up with the right amount. It
3 seemed reasonable. At first I had a lot of trouble. I
4 thought they were, you know, moving things around and I
5 couldn't quite understand, but they ended up with the
6 right amount and it seemed like it was the right
7 distribution of funds.

8 MS HORN: And again, in terms of
9 accomplishing what they indicated in their original grant
10 they would accomplish did you see anything that was
11 missing?

12 DR. FISHBONE: I didn't think so. In fact,
13 I didn't look at it specifically, but I thought in their
14 comments they were just talking about amount of time going
15 to be spent. I don't think there was any mention of not
16 being able to achieve what they had set out to do I don't
17 think. I mean, I could read that more carefully. And
18 it's just a discussion of who they all are and what
19 they're doing and what percentage of time they're
20 requesting.

21 MR. PESCATELLO: I remember from the
22 original they cut the -- she's cut the salary for, you
23 know, which is a good outcome for this Committee. I mean,
24 I would say like you hope typically in a venture capital

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1 thing at this early stage you would expect to have to --

2 CHAIRPERSON MULLEN: Okay.

3 DR. FISHBONE: I mean, I could, you know, I
4 thought it was okay. I just didn't see anything -- any
5 comment about not being able to do what they originally
6 said they would do at least from the absolutely necessary
7 to complete the goals. So I would -- I would, you know,
8 I'm not -- it's not assigned to me but I would recommend
9 that we accept it.

10 DR. WALLACK: So I have one question. In
11 the narrative that they sent --

12 DR. FISHBONE: Yeah.

13 DR. WALLACK: -- did you talk about her
14 last sentence about, accordingly the budget for this
15 project is accurate and all expenses described are
16 essential for success of the project. Does that infer the
17 entire project?

18 DR. FISHBONE: I think so. Yeah. As I
19 said, I did not read every --

20 DR. WALLACK: Okay.

21 DR. FISHBONE: -- it was a very long
22 statement. But most things about what everybody was, what
23 they'd done in the past.

24 DR. WALLACK: So to your point then I would

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1 endorse what you're saying Gerry, that it looks as though
2 it's what we hoped to see, that we voted for.

3 DR. FISHBONE: Yeah.

4 DR. WALLACK: If she can do it all.

5 DR. FISHBONE: I think if she was changing
6 what they were planning to do it would come out in the
7 first sentence, you know, we cannot do all this --

8 DR. WALLACK: Right.

9 DR. FISHBONE: -- but I couldn't find it
10 without, you know, reading word for word any mention of
11 change. I would recommend that we accept the budget
12 change.

13 MS HORN: Okay. Now what's the group's
14 pleasure here? It sounded to me like you were endorsing
15 all of the other resubmitted budgets, the reduced budgets
16 on Chelsey's review and indication that there was no issue
17 there and it sounds like a number of you have had the time
18 to review them yourselves as well. And then in terms of
19 Dr. Dealy's resubmitted budget that there is a motion to
20 accept that as well. Should I do them --

21 MR. PESCATELLO: Just a quick question.
22 Chelsey has pointed out, so the subcontract is 90 percent
23 of it to UConn and that's --

24 DR. FISHBONE: And there's -- yeah.

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1 MS. SARNECKY: The original -- in the
2 original application when they had requested a little over
3 1.6 million the subcontract to the UConn Health Center was
4 like 68 percent. Now we've reduced it down to 1.2 million
5 or around there the subcontract is almost 90 percent. I
6 don't know if that makes a difference. There's just
7 something that --

8 CHAIRPERSON MULLEN: It's so much more if
9 it's come out of the Chondrogenics side of things.

10 MR. PESCATELLO: And I think salaries to
11 them, that's what I think is mostly cumulative.

12 MS. SARNECKY: -- yeah, that's probably it.

13 DR. FISHBONE: Yeah. Yeah. They went from
14 7.2 to 3.6 months and .72 to .36.

15 MS. SARNECKY: That's probably just where
16 it is.

17 DR. FISHBONE: Yeah.

18 MS. SARNECKY: Just a comment.

19 MS HORN: Okay. Then we could entertain a
20 motion to approve the resubmitted -- the budget revisions.

21 DR. WALLACK: I'll move.

22 MS HORN: Second? All in favor?

23 VOICES: Aye.

24 MS HORN: Okay. Any objections? Okay.

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1 Very good.

2 DR. FISHBONE: Was Drazinic -- that was not
3 part of the budget adjustments, right?

4 MS HORN: No, right.

5 DR. FISHBONE: Okay.

6 DR. WALLACK: Just an observation if I
7 might and that is that are we going -- or a question. Are
8 we going to talk about adjusting any of the limits to the
9 grant line items? In other words, we reduced the
10 establish investigator from a million to 750. Some of
11 those we went to 650 on Drissi and it's -- and my
12 observation is that it does not seem to have inhibited
13 good scientific research going forward.

14 MS HORN: I think that when we revisit the
15 RFP in September.

16 DR. WALLACK: Gotcha. Thank you.

17 MS. SARNECKY: So are we all set to go onto
18 the next agenda item?

19 CHAIRPERSON MULLEN: Yes.

20 MS. SARNECKY: Okay. This one usually I
21 like to just recap the agenda item in the information that
22 I've given to everyone, but I really hope that everyone's
23 read this request only because it's 21 pages long and this
24 researcher, just to hit a few of the high points, this is

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1 a grant from last year from the Health Center and they're
2 requesting amendments to their stem cell grant. And in
3 the past we've done amendments, but we've done budgetary
4 amendments and we've done amendments in the very beginning
5 of the process, but we've never done a year into the grant
6 changing essentially the scope of the project, which I
7 think is up to you guys to determine how much this changes
8 the scope of the progress.

9 DR. FISHBONE: Is this Drazinic?

10 MS. SARNECKY: Yes. So I could go through

11 --

12 DR. WALLACK: Having read the 21 pages it's
13 disturbing to me that this individual has not at all
14 gotten the project off the ground at all, number one.
15 Number two, it's disturbing to me that the individual has
16 had a lot of difficulty getting the project through that
17 individual's internal university operations and it makes
18 me wonder if the university can stand behind the
19 individual and if the individual has not done anything --
20 was not able to do anything with the project in over a
21 year whether or not this is an instance where we have to
22 rescind the -- that grant that we gave to that individual.

23 And I would offer the idea or the suggestion that we
24 consider a discussion about rescinding that amount and

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1 redistributing those funds perhaps to the standby list
2 that we established not for 2010, although there may be
3 something from 2010 that's still there, I don't know, but
4 certainly we have a list of 2011.

5 MS. SARNECKY: Well, I mean, I would think
6 that there's probably discussion that needs to be had on
7 this grant. Some of the things that I picked up on, and I
8 think Paul you might have one of my notes, but there's a
9 section in here that says there has not been any progress
10 made in this grant. And that's something that kind of
11 struck me because it has been a year and their annual
12 report is coming up, it's due at the end of this month.
13 So I don't know if their annual report is going to say, we
14 have not made any progress, and it is what it is. But I
15 think that this letter is a hope that the Committee will
16 amend the scope of the project so that that progress can
17 be made. I just don't know where the Committee stands on
18 really doing something like that just because we've never
19 set any sort of precedent on a request like this before.

20 MR. PESCATELLO: Right. It says, progress
21 has not yet been made on this grant. Also, personnel who
22 --

23 DR. KIESSLING: Am I allowed to speak or
24 not?

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1 CHAIRPERSON MULLEN: I guess it depends on
2 what you're going to say.

3 (Laughter)

4 CHAIRPERSON MULLEN: We'd have to hear it
5 and then decide.

6 MS HORN: Yeah. This is a UConn grant.

7 DR. KIESSLING: Oh, right.

8 MS HORN: Yeah. You certainly -- no.

9 MS. SARNECKY: So actually I just -- I just
10 noticed this and apologize for misspeaking, but one of the
11 requests is to extend their due date for their annual
12 report from the end of this month, well, in two weeks,
13 until the end of the year. So I guess my only points to
14 share are that there has not been any progress for all of
15 the reasons listed in the 21 pages of support and unless
16 the Committee votes to change the scope of the project the
17 project as it stands probably will not make any progress.

18 I think that might be safe to say. I don't know if I'm
19 speaking out of school.

20 DR. DEES: This is Richard Dees.

21 (Indiscernible, telephonic testimony) fact that they're
22 having all kinds of administrative difficulties, some of
23 which might have been anticipated and some of which
24 probably couldn't be. But are they asking to change the

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1 scope of the project? Was it clear the way they were
2 changing the scope? Does anybody have a better sense of
3 that than I got from what I read?

4 MS. SARNECKY: I personally don't. This is
5 Chelsey. I don't have a good understanding of that. I
6 would defer to one of the Committee members.

7 DR. FISHBONE: Are you sure they're not
8 changing the direction of it? It doesn't change in the
9 direction of research, simply a different material source
10 for the cell lines in order to complete the remaining
11 research objectives. I mean, I wish -- maybe it was in
12 there. I didn't read 21 pages, but maybe the reasons why
13 the CRB and the -- and all the other committees --

14 MS. SARNECKY: They may be in here.

15 DR. FISHBONE: -- the CRC and IRB didn't
16 approve their obtaining skin biopsies from human subjects.

17 MS. SARNECKY: And just as a quick side
18 note, I did receive an email this morning about an update,
19 but the update says that all of the things that have been
20 listed in the original letter are either part -- the IRB
21 is currently reviewing, you know, this transfer is still
22 pending. So there isn't really much of an update. I
23 think it was provided as a, you know, in the past month.
24 I'm still in the same position because the letter is about

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1 a month old, the original letter.

2 DR. GENEL: I thought it was June 16th.

3 MS. SARNECKY: So about two months old.

4 DR. GENEL: Yeah, that letter is two months
5 old.

6 CHAIRPERSON MULLEN: So the IRB is waiting
7 to approve this material transfer agreement from Australia
8 on the anonymous cell lines, but we still don't really
9 have a good idea of why it's taken them this length of
10 time to not make any progress.

11 DR. GENEL: Yeah, but the basic protocol
12 hasn't yet been approved. They've still not been approved
13 by the IRB.

14 CHAIRPERSON MULLEN: They can't go anywhere
15 without IRB approval.

16 MR. PESCATELLO: It says, repeated IRB
17 deferrals and resulting funding interruptions.

18 DR. GENEL: The IRB's deferred approval
19 pending multiple (indiscernible, too far from mic.) until
20 contingent approval -- it's a contingent approval, but not
21 a final approval in April. And that's --

22 DR. FISHBONE: Couldn't we say because of
23 the absence of IRB approval we can no longer go along with
24 funding this grant?

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1 CHAIRPERSON MULLEN: Particularly since
2 there's a line in here saying that because these are
3 anonymously donated cells IRB approval wasn't necessary,
4 it's sort of circular.

5 MS. SARNECKY: It almost seems like --
6 exactly. It almost seems to me like they were initially
7 going with this one in this one direction and they
8 couldn't get IRB approval so they went --

9 DR. GENEL: So they got the Australia
10 lines.

11 MS. SARNECKY: -- to go to the anonymous
12 lines. So there wasn't IRB approval, but that would need
13 to be approved by --

14 CHAIRPERSON MULLEN: By the IRB.

15 MS. SARNECKY: -- yeah.

16 CHAIRPERSON MULLEN: Right.

17 MS. SARNECKY: So --

18 DR. FISHBONE: Catch 22.

19 DR. GENEL: Anne, are you still -- are you
20 still Chair of the CRO? Anne?

21 DR. HISKES: Anne Hiskes or Ann --

22 DR. GENEL: Anne Hiskes.

23 DR. HISKES: -- I'm here, yes.

24 DR. GENEL: Are you still Chair of the CRO?

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1 DR. HISKES: No, I'm not Chair. I'm a
2 member though.

3 DR. GENEL: I'm wondering if perhaps Anne
4 could shed some light on some of this for us?

5 DR. HISKES: It wouldn't have come to the
6 escrow until it had been passed by the IRB, but you know,
7 I don't know what role the, you know, I'm not particularly
8 familiar with the case, but I have sort of views about
9 IRB. They can be very difficult.

10 DR. GENEL: Yeah. They can get very
11 persnickety over things -- over punctuation marks and
12 things like that. Right. Yeah, I understand that.

13 DR. HISKES: You know, my own -- just as a
14 matter of principal having not seen the paperwork I don't
15 know if the P.I. did due diligence or was sloppy or if
16 this person's been made to jump over hoops.

17 DR. WALLACK: Mike, to your point though, I
18 mean, every seed grant -- every grant we've given has had
19 to go through that process and they've made it through it.

20 DR. GENEL: Oh, yeah. I know.

21 DR. WALLACK: So to me this --

22 DR. HISKES: And very few grants,
23 particularly from UConn have used cells that are not from
24 the core. Most of the grants are just, you know, Y cell

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1 things or from some Harvard lines. So those are well
2 established lines, they've been approved by IRBs before.
3 This is -- only in recent years have UConn investigators
4 started using cells from donors, you know, skin cells from
5 patients for diseases. So, you know, it's just a
6 different ballgame.

7 DR. GOLDHAMER: I was just going to ask
8 when the annual report is due on this application?

9 MR. PESCATELLO: They're asking for an
10 extension --

11 CHAIRPERSON MULLEN: For four months.

12 MR. PESCATELLO: -- it seems to be a case
13 where you'd want to almost bring the investigator in.

14 DR. HISKES: Yeah. Do you think we could
15 defer this pending deeper investigation?

16 MS HORN: Yeah. We've done that in the
17 past where we had an issue over some equipment and there
18 were some issues and I think it was explained to the
19 Committee's satisfaction. We were able to move forward,
20 but it was helpful to have the investigator come in.

21 CHAIRPERSON MULLEN: Okay.

22 MR. PESCATELLO: I would just like to say -
23 - I've said this from time to time over the years, so as a
24 non-scientist relative somewhat sophisticated reader of

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1 this kind of stuff, I just think people could do a much
2 better job putting this stuff into layman's terms. And as
3 a lawyer, I mean, if they had to go to trial they would
4 figure out a way to say it in such a way to get a, you
5 know, a judge who's sophisticated but not a scientist to
6 understand what they're saying and then we have to pore
7 through this and try to figure out -- and especially in a
8 public body, I mean --

9 DR. GOLDHAMER: And I think it's a 21 page
10 document.

11 MR. PESCATELLO: -- and then we're all kind
12 of -- I would say that about the lay summaries that I
13 still don't think are that fantastic.

14 DR. HISKES: And sometimes it's very, very
15 difficult to track down the original informed consent
16 procedure, you know, cells were donated a long time ago in
17 another country.

18 DR. WALLACK: So do I have reason to be
19 concerned about where that \$100,000 right now is?

20 CHAIRPERSON MULLEN: You shouldn't, but
21 that doesn't mean there isn't.

22 (Laughter)

23 DR. WALLACK: So my -- if there's been no
24 progress on the grant it seems to me that there should

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1 somewhere be \$100,000.

2 CHAIRPERSON MULLEN: So you can get it to
3 the whole process of how the funds are disbursed and
4 whether or not we had actually seen certain --

5 DR. DEES: (Indiscernible, telephonic
6 testimony).

7 DR. GENEL: We just approved this in June
8 according to this.

9 A MALE VOICE: This was a year ago, wasn't
10 it?

11 DR. GENEL: No. This is June of 2011.

12 MS. SARNECKY: I think that's a mistake.

13 DR. GENEL: Is that a mistake?

14 MS HORN: It was approved last round.

15 DR. GENEL: Oh, last June. June of -- oh,
16 okay. So it has been a year, yeah.

17 CHAIRPERSON MULLEN: It's been a year.
18 Funds were disbursed last year.

19 MS. SARNECKY: Yeah. Once the contract is
20 signed (indiscernible, talking over each other) first year
21 of funding and then we get their annual report and their
22 second year of funding is contingent upon success in their
23 first year, which is shown by their annual report.

24 CHAIRPERSON MULLEN: So I don't know how

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1 the system works at UConn to say where there's an account
2 for this money and then what might have been paid out of
3 those dollars, but that should all be very --

4 DR. WALLACK: Can we get an accounting of
5 that?

6 MS. SARNECKY: I can request that from
7 UConn. But I mean, they have to according to our contract
8 they're pretty free to ask for updates, financial updates
9 where the Committee sees fit.

10 DR. DEES: The other concern here is that
11 they seem to indicate that these new IPS lines do not
12 require IRB approval and it's my understanding that they
13 require an IRB exemption, not lack of approval.

14 DR. WALLACK: Yeah. So I would like to see
15 the accounting of this \$100,000 and my anticipation or my
16 hope would be that that \$100,000 still existed untouched.

17 CHAIRPERSON MULLEN: Okay. Well, let's
18 see, last page, budget. Approve budget variance, revised
19 budget, but that's just the budget.

20 DR. GENEL: No. There's a request here to
21 change the progress report from August 31st to December
22 31st. I gather we will -- we are declining that and
23 asking for it as on time?

24 MS SARNECKY: Yes.

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1 DR. GENEL: Yeah.

2 DR. FISHBONE: How much was salary?

3 MS. SARNECKY: Her salary 14,000, post-docs
4 30, 31.

5 DR. DEES: Weren't we going to ask her to
6 come in and talk to us then, is that what we're looking
7 for?

8 CHAIRPERSON MULLEN: So does she need to
9 come before us or does she need to meet with --

10 DR. GENEL: We ought to see the progress
11 report.

12 MS. SARNECKY: Well, the progress report --

13 DR. GENEL: It's not going to be much more
14 than this.

15 DR. GOLDHAMER: It'll probably be less than
16 that.

17 DR. GENEL: This is the progress report.

18 MS. SARNECKY: -- essentially.

19 DR. WALLACK: I would ask for two things.
20 They come before us and they also come with an accounting
21 of where that \$100,000 is.

22 CHAIRPERSON MULLEN: A progress report and
23 balance sheet.

24 DR. WALLACK: Right.

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1 DR. FISHBONE: The annual salary, I don't
2 think she had any complication --

3 DR. GOLDHAMER: Is that the original budget
4 or --

5 CHAIRPERSON MULLEN: Right. So this was
6 the budget submitted for --

7 MS. SARNECKY: I'm going to pull up the
8 original grant.

9 CHAIRPERSON MULLEN: -- it's 27. Do you
10 want to see?

11 DR. GOLDHAMER: No, I was just wondering.

12 DR. HISKES: It says in one paragraph that
13 she got the material transfer agreement to get these
14 Australian lines signed only in May of 2011.

15 (Indiscernible, telephonic testimony.) The escrow or
16 scroll said they wouldn't approve it until she had
17 completed the material transfer agreement and that it had
18 been approved by the State Etiquette for Research Advisory
19 Committee. The scroll will approve it, it has to be
20 approved by this body. And she just completed the first
21 condition of the scroll's contingency experiment.

22 MS. SARNECKY: So here's the original
23 budget for the first year.

24 DR. GOLDHAMER: Can you see if a post-doc

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1 or graduate students are named on the justification page?

2 MS. SARNECKY: Sure.

3 DR. GOLDHAMER: Because if they are then
4 the money's probably been spent on their salaries in the
5 first year. If they're to be named then it might still
6 exist.

7 MS HORN: It looks like the revised budget
8 has some reductions there.

9 MS. SARNECKY: I don't know what this page
10 is, but --

11 CHAIRPERSON MULLEN: She said they had had
12 a hard time finding a 25 percent technician so that they
13 were rolling some of the --

14 MS. SARNECKY: It says as was, so I'm
15 assuming --

16 DR. FISHBONE: It sounds like we are not
17 going to give her the second 100,000 and we just need from
18 this some justification of what's been spent. I imagine
19 her salary and the salary of it's technicians.

20 DR. HISKES: It says she hasn't spent
21 anything yet.

22 DR. WALLACK: I would assume she hasn't
23 spent anything Gerry.

24 DR. FISHBONE: Well, if she was living off

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1 the grant, you know, her salary is only 1.2 months.

2 DR. GOLDHAMER: She would have been paying
3 herself a salary I'm sure, but if there's no -- it doesn't
4 look like there's named personnel, so that money should
5 still exist.

6 DR. HISKES: And she couldn't hire people
7 till the IRB approved the whole thing.

8 DR. GENEL: Could we leave this to Chelsey?
9 (Laughter)

10 DR. GOLDHAMER: Just make it go away
11 Chelsey.

12 MS. SARNECKY: Okay. I will. So are you
13 guys looking for a suggestion or -- or --

14 DR. WALLACK: Well Chelsey, it seems to me
15 --

16 A MALE VOICE: We can check -- are you
17 going to call them in to come in and --

18 DR. WALLACK: -- I think that Chelsey
19 should be the one to communicate with this individual, but
20 it's not fair to Chelsey to let her come down on this
21 grant. I think it's --

22 MS. SARNECKY: It's okay. I do it all the
23 time. No, I'm kidding.

24 MR. PESCATELLO: Just check on the dollars.

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1 Where the dollars are and then have them come in here.

2 DR. WALLACK: Right, she can -- you're
3 right Paul. She can check on the dollars. She can make
4 the request that this person appear before us and I think
5 that it would be my recommendation to have Chelsey
6 implement this whole effort to bring that person to us
7 with all the auditing material.

8 MS. SARNECKY: So I'm just thinking in
9 terms of timing. We would obviously want to see --

10 DR. WALLACK: September.

11 MS. SARNECKY: -- something -- some sort of
12 progress report prior to this person coming in. I'm just
13 -- I guess I'm speaking --

14 DR. WALLACK: You're not going to get it.
15 My anticipation is that we're going to cover all of that
16 in September. Let that person know that, yes, that person
17 has to come in with a progress report as well as with the
18 information dependent to (indiscernible, too far from
19 mic.). And hopefully you'll get the audit before that
20 person comes here.

21 MS. SARNECKY: -- I hope so.

22 DR. HISKES: If you read about what the IRB
23 has been doing I think it's very interesting.

24 DR. GENEL: As reported by the

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1 investigator.

2 DR. HISKES: Right. Just reading it so
3 she's been working with the CRC Bank and it's been a
4 continuous source of support for collecting new subject
5 data and blood samples for the BGB for years. So that's
6 expanded. The CRC's role for the fibroblast for
7 subsequently transection to form ICS cells and so on by
8 the UConn stem cell core facility. However, the CRC
9 deferred approval awaiting the IRB renewal of this other
10 thing, the BGB protocol on January 11th. The IRB
11 subsequently deferred approval of the BGB protocol citing
12 multiple conflicts in vision until they provided the
13 contingent approval in late April 2011. So it's a
14 paperwork nightmare.

15 DR. FISHBONE: We have to get the
16 government out of our lives.

17 (Laughter)

18 MS HORN: So do we have a motion then?

19 DR. WALLACK: I'll move we bring this
20 person here before us.

21 DR. HISKES: We've got a vicious circle.
22 The IRB won't approve it until they approve the BGB, but
23 they can't get the BGB until they approved the CRC, but
24 the CRC can't be approved until the do the BGB.

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1 MR. PESCATELLO: I think we should go on a
2 fact finding mission to Australia to see how --

3 MS. SARNECKY: Can I go on -- can I go on
4 that trip?

5 DR. WALLACK: So Chelsey has to get in
6 touch with this person and request that that person appear
7 before us to talk to the application, defend the
8 application, and that Chelsey also ask this person to give
9 us audited information about the disposition of the
10 \$100,000 that we've already sent to that person.

11 DR. FISHBONE: Second.

12 MS HORN: All in favor?

13 VOICES: Aye.

14 MS HORN: Opposed? The motion carries.
15 Okay. We've got a little ways to go.

16 CHAIRPERSON MULLEN: Yes we do.

17 DR. FISHBONE: She's not done?

18 CHAIRPERSON MULLEN: No, not quite.

19 MS. SARNECKY: So the next one, this is Dr.
20 Lai, 10SCB12. This is a UConn Health Center grant and Dr.
21 Lai has accepted a position at UConn, Storrs. So what he
22 wants to do is transfer this project from the Health
23 Center to Storrs. He says the transfer will not effect
24 the objectives or scope of the research and from what I

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1 understand it could be a really good fit to be at UConn
2 based on the research that he's doing. They're going to
3 continue to work with the P.I. at UConn Health Center in
4 which case there would need to be a subcontract back to
5 the Health Center for this co-P.I.'s work. And they would
6 just transfer the current unobligated balance of about
7 \$140,000 with that grant for discourse.

8 MR. PESCATELLO: Motion to approve.

9 DR. FISHBONE: Second it.

10 MS HORN: All in favor?

11 VOICES: Aye.

12 MS HORN: The motion carries.

13 MS. SARNECKY: Okay. Let's see. Next,
14 this is a request -- this is actually a very small request
15 but I threw it on the agenda just because we were meeting.
16 So this is 10SCA06. This is going to be the second year
17 of the seed grant and Dr. Aneskievich would like to change
18 the budgeted post-doc position to a research assistant on
19 this award for the following reasons. There was an
20 uncertain start date of the grant and they were unable to
21 fill the position initially with a post-doc. And then he
22 already has a research assistant level two currently
23 working in his lab and this researcher has extensive
24 experience in this project so he just wants to bring her

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1 on as his research assistant as opposed to a post-doc.

2 DR. WALLACK: Move.

3 MR. PESCATELLO: Second.

4 MS HORN: All in favor?

5 VOICES: Aye.

6 MS HORN: Opposed? Motion carries. Which
7 one are we up to now?

8 MS. SARNECKY: This is a carry over request
9 for a 2008 grant from year three to year four. I think
10 Paul may have my percentages for me, but as you can see
11 it's over the 20 percent threshold and it's probably
12 around, you know, 40 something percent. I don't know if
13 the percentage is necessarily important. If you guys
14 could just look at them?

15 MR. PESCATELLO: Yeah, 36 percent.

16 MS. SARNECKY: Okay. Thank you. And I'll
17 take that next one too. Sorry.

18 DR. FISHBONE: He didn't spend anything on
19 supplies or just 3,000?

20 MS. SARNECKY: Let's see here. This one --
21 yeah, so this is about 36 and a half percent. The --
22 let's see. Well, the carry over for the supplies for this
23 year Gerry is just \$3,000. So the 43 that you see is
24 years one through three totaled. The justification looks

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1 fairly straightforward. You know, there's minimal
2 carryover requested in each expense category with fringe
3 benefits being the greatest carryover due to the
4 institutional -- the way that the institution handles
5 their fringe benefit structure. Is everyone okay with
6 that?

7 DR. GENEL: I'm okay with it.

8 MS. SARNECKY: Okay.

9 MR. PESCATELLO: Is that a motion?

10 (Laughter)

11 DR. GENEL: I am --

12 MS. SARNECKY: You're not okay?

13 DR. GENEL: -- I move approval. Yeah, I'm
14 okay.

15 MR. PESCATELLO: Second.

16 MS HORN: All in favor?

17 VOICES: Aye.

18 MS HORN: The motion is approved.

19 MS. SARNECKY: This next carry over request
20 is about 40 percent. Pretty much the same deal as the
21 previous one.

22 DR. FISHBONE: This is Bruce Mayer?

23 MS. SARNECKY: Yes sir. Bruce Mayer.

24 Fringe benefit, justification is the same, it's a UConn

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1 Health Center grant. Other direct costs there is a
2 \$25,000 variance. The justification is that the
3 unobligated funds are carried forward and will be used for
4 sequencing reagent kits, chemical lab supplies in the
5 following budget year.

6 DR. DEES: I don't understand how they used
7 so little.

8 MS. SARNECKY: Does anybody have any
9 questions?

10 DR. GENEL: Yeah, this is a good variance,
11 isn't it? \$25,000. And a total of -- the budget -- it's
12 twice as much as the budget called for. I mean, the
13 awarded budget in year four is 13.5 and the carry over
14 from the first three years is 25,000, that's about eight -
15 - it would be roughly 8,000 per year. That's worth asking
16 -- worth asking why I would think.

17 MS. SARNECKY: So do you want me to contact
18 the P.I. and will we bring this up at the next meeting or
19 are we going to approve this contingent upon them sending
20 us back some information?

21 MR. FISHBONE: Can we approve it if you're
22 satisfied with the information?

23 MS. SARNECKY: Sure.

24 DR. GENEL: I would, but I think it would

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1 be nice to have a little more documentation.

2 MS. SARNECKY: Okay.

3 MS HORN: So we have a motion to approve
4 contingent upon satisfactory explanation and Chelsey will
5 bring it back to the group.

6 MS. SARNECKY: Yep.

7 MS HORN: Is there a second?

8 DR. FISHBONE: Second.

9 MS HORN: All in favor?

10 VOICES: Aye.

11 DR. GENEL: I seem to remember I think
12 didn't he coming for a renewal grant or another grant
13 (indiscernible, too far from mic.) I vaguely remember
14 that based on progress from this one.

15 MS. SARNECKY: This past meeting?

16 DR. GENEL: Yeah.

17 MS. SARNECKY: Well, if you did we didn't
18 fund them.

19 DR. GENEL: Okay.

20 MS. SARNECKY: Okay. The next item on the
21 agenda is 08SCDYALE004, Dr. Lin is requesting a no cost
22 extension. I'm sorry Paul. I'm going to have to take
23 back all my notes. I was trying to be efficient by doing
24 it on the computer. Okay. So Dr. Lin is requesting a no

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1 cost extension. Let's see, where is it, here we are. A
2 seven month no cost extension to his 2008 grant. He would
3 like to use the remaining funds, a little over \$220,000
4 through March of 2012 to continue the support of the core
5 facilities. Additionally, these funds, the \$220,000 will
6 be used to bridge the gap between when this funding ends
7 and when the new \$500,000 core 2011 funding begins. I
8 don't think it was -- it doesn't seem like that was done
9 purposely, but it just seemed to work out that way that
10 these -- this funding from 2008 would be extended out
11 until March. It also says here that these remaining funds
12 will be used to help restructure the reduced budget from
13 the core that they had previously proposed.

14 CHAIRPERSON MULLEN: Which could be just as
15 simple to not budgeting to carry forward some money next
16 time around. Right? It's a kind of thing to keep in mind
17 when we determine the need for an institution to match
18 dollars to saying that they can't go forward without our
19 dollars if they have money left over at the end. Which is
20 something that people do.

21 DR. FISHBONE: So then we'd owe \$720 for
22 the next --

23 CHAIRPERSON MULLEN: Right.

24 DR. FISHBONE: -- do you need a motion to

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1 give it?

2 CHAIRPERSON MULLEN: Yeah.

3 DR. FISHBONE: So moved.

4 MS HORN: Second?

5 A MALE VOICE: (Indiscernible, too far from
6 mic.).

7 MS HORN: All in favor?

8 VOICES: Aye.

9 MS HORN: The motion is approved.

10 A MALE VOICE: I abstain.

11 MS. SARNECKY: The next one is 09SCAYALE35,
12 Dr. Kevin Herold is requesting a one year no cost
13 extension of about \$14,000. He wishes to extend the
14 project until June 1st of 2012 and then he discusses in
15 his letter where he intends to use the \$14,000. 3,900 for
16 salary support and the rest essentially for supplies to
17 finish the project.

18 DR. FISHBONE: Yeah. This is a guy who we
19 didn't fund last time he was here. (Indiscernible, too
20 far from mic.). He was the one who had the seed grant we
21 didn't fund. So this is money to keep him on the project
22 they're working on.

23 MS. SARNECKY: Yeah. There's a small
24 amount for salary support for him and the rest is

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1 supplies.

2 MR. PESCATELLO: I move extension.

3 DR. FISHBONE: Second it.

4 MS HORN: All in favor?

5 VOICES: Aye.

6 MS HORN: Okay. Motion is approved.

7 MS. SARNECKY: And that's actually our last
8 budget item because I failed to take item 13 off of the
9 list when we were discussing taking the annual reports off
10 the list.

11 MS HORN: Chelsey, on the original agenda
12 you had Redmond on there?

13 MS. SARNECKY: Yes. That's actually been
14 taken care of --

15 MS HORN: Okay.

16 MS. SARNECKY: -- through the Yale grant
17 office and myself.

18 MS HORN: Okay.

19 MS. SARNECKY: So that was something that
20 C.I. was able to approve so I took that off of the agenda.

21 DR. FISHBONE: Have we had any follow ups
22 recently on his research? This is what, two years?

23 MS. SARNECKY: Well, you'll be getting --
24 I'm trying to think of when the report will be in.

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1 DR. FISHBONE: Does he have another year to
2 go on the grant?

3 MS. SARNECKY: Yeah, one more year.

4 DR. FISHBONE: It will be interesting to
5 see what he's achieved.

6 MS. SARNECKY: This is the monkey grant.

7 DR. FISHBONE: Yeah. The monkeys in one of
8 the Caribbean islands.

9 MS. SARNECKY: Yeah. St. Bart's I believe.
10 Yeah, I was willing to go there too to check out the
11 situation, but --

12 (Laughter)

13 MS HORN: We didn't fund that part.

14 CHAIRPERSON MULLEN: You deserve some kind
15 of a proclamation because you are so committed to this
16 with your willingness to travel for this.

17 MS. SARNECKY: Thank you.

18 CHAIRPERSON MULLEN: Plus she keeps us all
19 organized.

20 MS SARNECKY: So I think that's it unless
21 we have public comments.

22 MS HORN: Any public comment? So September
23 is going to be a very packed meeting and we've got 20
24 annual reports to look at.

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1 DR. WALLACK: Yeah. I just have an
2 observation and that is we seem to always be running into
3 these, and I think you addressed it quietly, about these
4 funds available. So somehow or other the accounting
5 system of how we're allocating funds somehow it seems like
6 to me at least like we're putting a lot of money out there
7 maybe unnecessarily because it sort of isn't being
8 utilized the way we anticipated it being utilized. I
9 don't know, is that -- is this how science works? I mean,
10 I don't know.

11 DR. GOLDHAMER: I think it's very hard to
12 predict when you write a grant and propose a budget to be
13 precise about it. I mean, this -- the starting at 222
14 seems high, but in general it's very difficult to do that.
15 The NIH for instance allows I believe it's a 25 percent
16 carryover. So, you know, it's a very sizable amount of
17 the grant and if it's over 25 percent then you're required
18 additional justification. So 25 and below there's very
19 little that has to be done to carry that over. So it's
20 just understood that it's hard to predict these things.

21 CHAIRPERSON MULLEN: And it is the same
22 thing with CDC and other Federal agencies. You get some
23 leeway. There are institutional barriers, it might take a
24 long time to hire so you have these salary dollars that

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1 are just sitting there. So it is --

2 DR. FISHBONE: What do we have, is it 20
3 percent?

4 MS HORN: We have certain limits under 20
5 percent C.I.

6 MS. SARNECKY: Anything under 20 -- or I'm
7 sorry, anything under 10 percent is kind of free range for
8 the grantees to move around, but they actually send me an
9 email and say, FYI, this is what we're doing, which is
10 helpful. But usually it's such a small amount that it's
11 not really even necessary. And then up to 20 percent they
12 send me a budget and a justification, which C.I. can
13 approve and if there's anything out of whack at that point
14 I would ask for further justification or just bring it to
15 the Committee. I think I've done that in the past where
16 it could be 18 percent and I'm able to approve it, but
17 something looks off so I bring it to the Committee. So
18 it's similar in that way.

19 DR. GOLDHAMER: And I think just because
20 carryover is common it really doesn't necessarily mean
21 that too much money is going into these projects for the
22 reasons that you articulated. And also the kind of
23 mentality of the investigator is that, you know, the worst
24 thing is to run out of money before the year is over. So

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1 there's that built in, you know, conservative approach,
2 you know, to be fiscally responsible to make sure that you
3 have money in the end and then necessarily then that will
4 end up more often than not in at least some carryover.

5 CHAIRPERSON MULLEN: Yeah. I think I
6 reacted more to this one also because it came with the
7 appreciation of extending the core also. So I think that
8 was the double -- but we carry forward requests. Now
9 lately as we've had uncertainty about whether or not
10 specific big grant programs would even be continued in the
11 coming year I really wanted people to not be in the habit
12 of budgeting carryover because I've seen circumstances
13 where people get it into their budget that they were
14 automatically thinking, oh, we'll be able to increase some
15 community organizations awards next year. And that's, you
16 know, there is on our side the fear that people are going
17 to look and say, if you didn't spend it you didn't need
18 it.

19 DR. GOLDHAMER: And one more comment. And
20 the alternative to that the NIH used to not allow this
21 kind of carryover and what would happen is people in the
22 last couple of months of that grant year would spend it
23 up. They'd just spend it up on things that maybe were not
24 necessary.

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1 CHAIRPERSON MULLEN: Unnecessary things.
2 Right.

3 DR. GOLDHAMER: So that's a response --

4 CHAIRPERSON MULLEN: Right.

5 DR. FISHBONE: And it was the same in the
6 military, if you didn't spend it you got less the
7 following year.

8 CHAIRPERSON MULLEN: So in another place
9 where I worked that meant that we had a warehouse full of
10 brochures because when people couldn't think of anything
11 else to order for Public Health they ordered more
12 brochures.

13 (Laughter)

14 CHAIRPERSON MULLEN: We don't do that for
15 the record.

16 DR. GENEL: We meet September 20th, is that
17 the date?

18 MS HORN: That's correct.

19 DR. GENEL: Would that be the date?

20 MS HORN: Um-hmm. That's it. Great.

21 Thank you. Motion to adjourn? Second? All approved.

22 Thank you. Thanks everybody.

23 (Whereupon, the hearing adjourned at 3:50
24 p.m.)