

BETH C. DRAIN, CA CSR NO. 7152

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

LOCATION: VIA ZOOM

DATE: MAY 20, 2024
11 A.M.

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

FILE NO.: 2024-23

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I N D E X

ITEM DESCRIPTION	PAGE NO.
OPEN SESSION	
1. CALL TO ORDER	3
2. ROLL CALL	4
3. CONSIDERATION OF CIRM ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2024-2025	5
4. PUBLIC COMMENT	NONE
5. ADJOURNMENT	37

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MAY 20, 2024; 11 A.M.

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CHAIRMAN BLUMENTHAL: GREAT. WELL, SUPER. I GUESS WE CAN GET GOING ON TIME, WHICH IS WONDERFUL. SO THANK YOU ALL FOR JOINING US TODAY FOR THE FINANCE COMMITTEE. OUR MAIN TASK IN THIS MEETING IS TO APPROVE AND FORWARD ON TO THE BOARD FOR THEIR APPROVAL THE ADMINISTRATIVE BUDGET FOR THE NEXT YEAR OF CIRM. I THOUGHT IT WOULD BE A GOOD IDEA FOR US TO ALSO LOOK AT THE PROPOSED SCIENCE BUDGET OR RESEARCH BUDGET FOR CIRM AS WELL PRIOR TO CONSIDERING THE ADMINISTRATIVE BUDGET. THE SCIENCE BUDGET OR I'M SORRY THE RESEARCH BUDGET WILL BE, I THINK, GOING TO THE SCIENCE COMMITTEE, WHICH IS MEETING IN A DAY OR TWO, FOR THEIR APPROVAL. I THOUGHT THAT IT WOULD MAKE THE MOST SENSE FOR US TO LOOK HOLISTICALLY AT THE ENTIRETY OF THE BUDGET BEFORE WE ACTUALLY APPROVE OUR LITTLE PIECE OF THE BUDGET.

SO WITH THAT, I THINK WE CAN MOVE TO OUR FIRST PRESENTATION WHICH IS INDEED THE RESEARCH BUDGET PROPOSED FOR NEXT YEAR. AND I WOULD POINT OUT THAT, AS YOU WILL SEE, THIS RESEARCH BUDGET IS NOT A FULL YEAR RESEARCH BUDGET PROPOSAL. SO UNLIKE THE ADMINISTRATIVE BUDGET THAT WE WILL BE ACTING ON,

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1 WHICH IS A FULL YEAR PROPOSAL, THIS ONE IS ONLY FOR
2 PART OF THE YEAR. SO WITH THAT, LET ME TURN IT OVER
3 TO ACTUALLY WHO IS MAKING THE PRESENTATION.

4 MR. TOCHER: GEORGE, THIS IS SCOTT IN SAN
5 FRANCISCO. IF WE COULD JUST TAKE A ROLL CALL REAL
6 QUICK JUST FOR THE RECORD TO ESTABLISH THE QUORUM.

7 CHAIRMAN BLUMENTHAL: THANK YOU. THAT'S
8 ACTUALLY IMPORTANT, AND I APPRECIATE YOUR REMINDER.
9 SO LET'S DO THE ROLL CALL.

10 MS. MANDAC: GEORGE BLUMENTHAL.

11 CHAIRMAN BLUMENTHAL: HERE.

12 MS. MANDAC: MARIA BONNEVILLE.

13 VICE CHAIR BONNEVILLE: PRESENT.

14 MS. MANDAC: LINDA BOXER. ANNE-MARIE
15 DULIEGE. VITO IMBASCIANI.

16 CHAIRMAN IMBASCIANI: HERE.

17 MS. MANDAC: STEVE JUELSGAARD.

18 MR. JUELSGAARD: PRESENT.

19 MS. MANDAC: SHLOMO MELMED.

20 DR. MELMED: HERE.

21 MS. MANDAC: JOE PANETTA.

22 MR. PANETTA: HERE.

23 MS. MANDAC: MICHAEL STAMOS.

24 DR. STAMOS: HERE.

25 MS. MANDAC: OKAY. WE HAVE QUORUM. BACK

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1 TO YOU, GEORGE.

2 CHAIRMAN BLUMENTHAL: OKAY. GREAT. SO
3 WHY DON'T WE MOVE NOW TO THE PRESENTATION OF THE
4 RESEARCH, PROPOSED RESEARCH BUDGET.

5 MS. LEWIS: THANK YOU, GEORGE. THIS IS
6 JENNIFER LEWIS, AND I'LL BE PRESENTING THE RESEARCH
7 BUDGET TO YOU TODAY. GIVE ME ONE MOMENT WHILE I
8 SHARE MY SCREEN. CAN YOU SEE THAT FULL SCREEN?

9 CHAIRMAN BLUMENTHAL: YES.

10 MS. LEWIS: GREAT. SO GOOD MORNING.
11 THANK YOU ALL FOR GIVING ME THE OPPORTUNITY TO
12 ATTEND THIS SUBCOMMITTEE TODAY. I'LL BE PREVIEWING
13 FOR YOU THE PROPOSED RESEARCH BUDGET THAT WILL BE
14 BROUGHT TO THE SCIENCE SUBCOMMITTEE TOMORROW FOR
15 REVIEW AND EVENTUALLY TO THE BOARD IN JUNE.

16 AS YOU ALL KNOW, WE START WITH OUR MISSION
17 STATEMENT WITH OUR PRESENTATIONS. OUR MISSION IS TO
18 ACCELERATE WORLD-CLASS SCIENCE TO DELIVER
19 TRANSFORMATIVE REGENERATIVE MEDICINE TREATMENTS IN
20 AN EQUITABLE MANNER TO A DIVERSE CALIFORNIA AND
21 WORLD.

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1 AND WHAT I'M GOING TO REVIEW TODAY IS THE
2 RESULTS OF THE 23/24 APPROVED RESEARCH BUDGET, AND
3 THEN WE'LL GO INTO THE PROPOSED INTERIM 24/25
4 BUDGET. AND AS GEORGE NOTED, BUT I WOULD LIKE TO
5 JUST REITERATE THAT THE PLAN IS THAT THE CIRM TEAM
6 WOULD COME BACK TO THE BOARD IN DECEMBER AFTER THE
7 SIX-MONTH PROPOSED INTERIM RESEARCH BUDGET TO
8 REQUEST THE REMAINING FUNDS FOR THE REST OF THE
9 YEAR. THE REASON FOR THIS IS, AS THE ORGANIZATION
10 IS GOING THROUGH A STRATEGIC ALLOCATION FRAMEWORK,
11 WE WANTED TO PROPOSE FOR THE ACTIVITIES WE KNOW
12 TODAY. AND THEN WE'LL BE BRINGING A REVISED BUDGET
13 IN DECEMBER ONCE THAT PRIORITIZATION EFFORT IS
14 COMPLETED.

15 SO THIS TABLE IS SHOWING THE FISCAL YEAR
16 23/24 RESEARCH BUDGET AND ACTUALS AND VARIANCES AND
17 WHERE WE EXPECT TO FINISH. THE FIRST COLUMN
18 DISPLAYS THE APPROVED BUDGET THAT WAS APPROVED BY
19 THE ICOC IN JUNE OF LAST YEAR OF 519 MILLION. THE
20 SECOND COLUMN SHOWS THE COMMITMENTS AS OF APRIL
21 2024. SO FOR FISCAL YEAR 23/24, WE HAVE 297 MILLION
22 COMMITTED AS OF APRIL.

23 THE THIRD COLUMN IS DISPLAYING ANY PENDING
24 COMMITMENTS. I'LL WALK THROUGH THESE BECAUSE
25 THERE'S SOME DETAIL TO EACH OF THESE. SO FOR THE

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1 CLINICAL PROGRAM, THERE'S 11.9 MILLION THAT WILL BE
2 GOING TO THE ARS IN MAY. WE ALSO ANTICIPATE THAT WE
3 HAVE ACTIVE APPLICATIONS THAT WILL GO TO THE JUNE
4 ARS. AT THIS TIME WE DON'T KNOW WHAT WILL BE
5 RECOMMENDED BY THE GWG; BUT BASED ON THE
6 APPLICATIONS SUBMITTED, IF ALL WERE APPROVED, IT
7 WOULD DEplete THE CLINICAL BUDGET FOR THE YEAR.

8 FOR TRANSLATION WE HAVE PENDING
9 COMMITMENTS OF 41 MILLION THAT WILL BE GOING TO A
10 MAY ARS MEETING.

11 FOR DISCOVERY, WE HAVE NO PENDING
12 COMMITMENTS FOR THE REST OF THE FISCAL YEAR.

13 FOR EDUCATION, WE HAVE ABOUT 250,000 IN
14 CONFERENCE GRANTS THAT WILL LIKELY BE APPROVED BY
15 THE END OF THE FISCAL YEAR.

16 AND FOR INFRASTRUCTURE, THERE ARE NO
17 PENDING COMMITMENTS.

18 SO THERE'S A TOTAL OF 53 MILLION IN
19 PENDING COMMITMENTS THAT WILL BE ACTUALIZED IN THE
20 NEXT MONTH, BY THE END OF THE MONTH.

21 SO THE FISCAL YEAR 23/24 IN THE FOURTH
22 COLUMN IS SHOWING THE ESTIMATED TO FINISH. AND THAT
23 TOTALS THE SECOND COLUMN AND THE THIRD COLUMN
24 PENDING COMMITMENTS TOGETHER TO GET AN ESTIMATED TO
25 FINISH OF 351 MILLION FOR THE FISCAL YEAR.

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1 THE FIFTH COLUMN IS SHOWING THE VARIANCES
2 OF THAT ESTIMATED -- THE APPROVED BUDGET FROM FISCAL
3 YEAR 23/24 TO ESTIMATED TO FINISH. I'LL WALK
4 THROUGH THESE BECAUSE I THINK IT'S IMPORTANT TO NOTE
5 SOME OF THE REASONS THAT THERE'S A VARIANCE OF 168
6 MILLION HERE.

7 FOR THE CLINICAL PROGRAM, THERE'S A 41
8 MILLION VARIANCE; BUT AS NOTED, WE STILL ARE WAITING
9 ONE MORE GWG AND ARS APPROVAL, WHICH POTENTIALLY
10 COULD DEplete THIS BUDGET FULLY.

11 FOR TRANSLATION, THERE'S 1 MILLION
12 REMAINING FOR END OF THE FISCAL YEAR.

13 OUR VARIANCE FOR DISCOVERY, THERE'S A 93
14 MILLION VARIANCE WHICH I'D LIKE TO GIVE A LITTLE BIT
15 MORE DETAIL TO. THIS 93 MILLION IS DUE TO TWO
16 PROGRAMS HAVING REVIEW SCHEDULES THAT WERE POSTPONED
17 MIDWAY THROUGH THE FISCAL YEAR. THE FIRST WAS THE
18 DISC2 QUEST PROGRAM. SO FOR OPERATIONAL REASONS, WE
19 NEEDED -- AND FLOW CONTROL WE NEEDED TO POSTPONE
20 THAT ACTUAL APPROVAL, WHICH WILL OCCUR IN EARLY
21 24/25, AS WELL AS THE REMIND-L PROGRAM. THE
22 APPLICATION DATE FOR THAT PROGRAM WAS EXTENDED A
23 MONTH. DUE TO THAT THE ACTUAL REVIEW AND APPROVAL
24 WILL NOT OCCUR UNTIL 24/25. SO THAT'S WHAT COMPOSES
25 THAT VARIANCE THERE FOR THE DISCOVERY PROGRAM.

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1 FOR THE EDUCATION PROGRAM, THERE IS A
2 LITTLE UNDER A MILLION VARIANCE FOR THE REMAINDER OF
3 THAT BUDGET.

4 AND THEN FOR THE INFRASTRUCTURE PROGRAM,
5 THERE'S A \$30 MILLION VARIANCE. THIS VARIANCE ALSO
6 HAS SOME BACKGROUND THAT I'D LIKE TO SHARE WITH YOU.
7 THAT VARIANCE IS DUE TO THE SHARED RESEARCH LAB
8 PROGRAM WHICH WAS APPROVED BY THE BOARD, THE TIER I
9 APPLICATIONS WERE APPROVED BY THE BOARD EARLIER THIS
10 FISCAL YEAR. HOWEVER, THERE WERE TIER II
11 APPLICATIONS THAT ARE CURRENTLY UNDER RE-REVIEW AND
12 WILL BE COMING TO THE ARS ONCE THEY GO THROUGH THE
13 APPROPRIATE GWG AND FWG IN EARLY 24/25. SO, AGAIN,
14 YOU WILL SEE THAT WE'RE REQUESTING THOSE FUNDS IN
15 THE 24/25 BUDGET WHEN I PRESENT THAT BUDGET.

16 SO NEXT I WANTED TO SHOW YOU THE PROPOSED
17 INTERIM RESEARCH BUDGET THAT WILL BE PRESENTED TO
18 THE SCIENCE SUBCOMMITTEE TOMORROW. THIS FIRST
19 COLUMN, AGAIN, IS SHOWING THE 23/24 APPROVED BUDGET
20 AND OUR ESTIMATED TO FINISH, BUT THE LAST COLUMN IS
21 THE PROPOSED 24/25 BUDGET FROM JULY TO DECEMBER.
22 THIS BUDGET SUPPORTS SIX MONTHS AND SUPPORTS ANY ARS
23 APPROVALS DURING THIS PERIOD. THAT INCLUDES MONTHLY
24 CLINICAL REVIEWS. SO WE'RE ASKING FOR 145 MILLION
25 FOR CLINICAL. THIS SUPPORTS THE TIER II

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1 RESUBMISSIONS THAT HAVE BEEN OCCURRING SINCE THE
2 FLOW CONTROL PROPOSAL HAS BEEN UNDER REVIEW. IT
3 ALSO ANTICIPATES A NEW PROPOSAL THAT WILL BE GIVEN
4 BY DR. GIL SAMBRANO TO THE SCIENCE COMMITTEE AND
5 REOPENING THE CLINICAL PROGRAM. SO THIS BUDGET
6 TAKES BOTH OF THOSE INTO ACCOUNT.

7 FOR TRANSLATION WE'RE REQUESTING 60
8 MILLION. THIS IS BASED ON PREVIOUS HISTORICAL
9 AVERAGES OF APPLICATION APPROVALS AND VOLUME FOR THE
10 PAST FISCAL YEAR AS WELL AS AVERAGE AWARD AMOUNT.

11 FOR DISCOVERY WE'RE ASKING FOR 116 MILLION
12 TO SUPPORT TWO PROGRAMS THAT HAVE OPEN APPLICATIONS.
13 THAT'S THE DISC2 QUEST ROUND AND THE REMIND-L
14 CONCEPT AND APPROVAL.

15 FOR EDUCATION WE ARE NOT REQUESTING ANY
16 FUNDS FOR THIS SIX-MONTH PERIOD. TYPICALLY WHAT WE
17 HAVE SEEN -- THERE ARE NO CURRENT EDUCATION PROGRAMS
18 THAT ARE IN DEVELOPMENT, AND MANY OF THEM ARE IN
19 MIDSTREAM IN THEIR AWARDS. HOWEVER, TYPICALLY WE
20 REQUEST A CONFERENCE BUDGET. DUE TO THE STRATEGIC
21 ALLOCATION FRAMEWORK WORK AND DISCUSSIONS THAT ARE
22 HAPPENING IN THE SCIENCE SUBCOMMITTEE AND AT THE
23 BOARD, THE CIRM TEAM IS RECOMMENDING NOT TO HAVE A
24 CONFERENCE GRANT BUDGET AND WOULD LIKE TO REVISE
25 THAT RFA TO BETTER ALIGN WITH OUR STRATEGY AND GOALS

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1 ONCE THOSE ARE REVIEWED AND APPROVED BY THE BOARD IN
2 SEPTEMBER.

3 AND THEN FINALLY, FOR INFRASTRUCTURE WE'RE
4 REQUESTING A BUDGET OF 88 MILLION. THAT BUDGET
5 COMPRISES OF TWO THINGS. ONE IS THE SHARED RESEARCH
6 LAB TIER II APPLICATIONS THAT I MENTIONED THAT ARE
7 UNDER REVIEW AT GWG AND FWG. AND THE SECOND IS 60
8 MILLION FOR THE COMMUNITY CARE CENTERS OF EXCELLENCE
9 CONCEPT THAT HAS BEEN APPROVED BY THE BOARD AND
10 WE'LL BE TAKING IN APPLICATIONS OVER THE NEXT
11 SEVERAL MONTHS. AND THAT APPROVAL WOULD COME TO THE
12 ARS DURING THIS TIME PERIOD OF SIX MONTHS.

13 SO THE TOTAL BUDGET BEING REQUESTED IS 410
14 MILLION FOR THE SIX MONTHS. I WANT TO NOTE THAT
15 THIS BUDGET, ALTHOUGH WE WILL BE COMING BACK IN
16 DECEMBER FOR POTENTIALLY ADDITIONAL FUNDS, THIS
17 BUDGET WILL LIKELY NOT INCREASE SIGNIFICANTLY DURING
18 THOSE SIX MONTHS. THE CIRM TEAM WILL BE PLANNING
19 WHAT PROGRAMS CAN COME. AS WE'RE ROLLING OUT THE
20 STRATEGIC FRAMEWORK, WE DON'T ANTICIPATE WE'LL BE
21 ASKING FOR MULTIPLE PROGRAMS AT ONCE. ALSO, THAT
22 410 MILLION DOES INCLUDE SEVERAL PROGRAMS, THE TWO
23 DISCOVERY PROGRAMS AND THE SHARED RESEARCH LABS,
24 THAT ARE ROLLOVERS FROM THE PREVIOUS FISCAL YEAR.

25 WITH THAT, I'M HAPPY TO ANSWER ANY

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1 QUESTIONS. THERE'S NO APPROVAL, BUT I DID WANT TO
2 MAKE SURE THAT I COULD ANSWER THE QUESTIONS THAT YOU
3 MAY HAVE AS YOU START TO REVIEW THE ADMINISTRATIVE
4 AND OPERATIONS BUDGET.

5 CHAIRMAN BLUMENTHAL: SO LET ME BEGIN WITH
6 A QUICK QUESTION. AND I SEE STEVE HAS HIS HAND UP
7 AS WELL. SO WHAT I UNDERSTAND FROM YOUR LAST
8 COMMENT IS THAT, ALTHOUGH THE 410 BEING ASKED FOR
9 THE FIRST SIX MONTHS OF THIS COMING FISCAL YEAR,
10 IT'S CONSIDERABLY MORE THAN HALF THE BUDGET FROM THE
11 PREVIOUS YEAR, YOU DON'T ANTICIPATE THAT WHEN THE
12 YEAR IS DONE AND WHEN THE REQUEST COMES FORWARD
13 BEGINNING IN DECEMBER THAT WILL LEAD TO A DOUBLING,
14 BUT RATHER TO SOMETHING THAT IS NOT GROSSLY OUT OF
15 LINE WITH WHAT WE HAD LAST YEAR. IS THAT A FAIR
16 SUMMARY OF WHAT YOU SAID?

17 MS. LEWIS: THAT'S CORRECT, GEORGE. AND
18 JUST ONE NOTE ON THAT. OVER THE PAST FISCAL YEAR,
19 THERE'S BEEN A CONCERTED EFFORT BY THE CIRM TEAM TO
20 ENSURE THAT THE BUDGETS THAT WE'RE PROPOSING ARE
21 WHAT ARE ACTUALLY GOING TO BE APPROVED. WE HAVE HAD
22 A HISTORY SINCE PROP 14 STARTED TO SOMETIMES HAVE
23 THINGS THAT ROLL OVER AND SPAN LARGE PERIODS OF
24 TIME. SO WE'RE REALLY BEING CONSCIOUS. IF IT'S NOT
25 APPROVED, WE'RE NOT GOING TO ASK TO ROLL OVER AND

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1 REALLY BE TIGHTER ON OUR OPERATIONAL PLANNING AS WE
2 HAVE THAT STRATEGIC ALLOCATION FRAMEWORK IN PLACE.

3 CHAIRMAN BLUMENTHAL: GREAT. THANK YOU.
4 STEVE.

5 MR. JUELSGAARD: YES. JUST SOME QUESTIONS
6 REGARDING THE PROPOSED BUDGET FOR THE LAST SIX
7 MONTHS OF THIS YEAR VERSUS VARIANCES THAT WERE IN
8 THE PRECEDING SLIDE. SO I WANT TO FIND OUT WHAT'S
9 EMBEDDED IN THE PROPOSED FISCAL YEAR 24/25 BUDGET
10 THAT HAVE CARRIED OVER FROM THE VARIANCE.

11 SO LET'S GO TO THE BOTTOM, START WITH
12 INFRASTRUCTURE. SO WE HAD BASICALLY 30 POINT --
13 ALMOST \$31 MILLION IN COSTS THAT WERE OFF SCHEDULE
14 BECAUSE WE HAD A TIER II REVIEW. SO IS THAT 31,
15 ROUGHLY 31 MILLION, I'M ROUNDING UP, EMBEDDED IN THE
16 88?

17 MS. LEWIS: YEAH. SO IT'S ACTUALLY --
18 THERE'S SOME REMAINING FUNDS FROM A MANUFACTURING
19 REVIEW LAST YEAR. SO IT'S REALLY 28 MILLION THAT'S
20 BEING CARRIED FORWARD FOR SHARED RESOURCE LABS, AND
21 THE REMAINING BALANCE OF 60 MILLION FOR COMMUNITY
22 CARE CENTERS OF EXCELLENCE.

23 MR. JUELSGAARD: OKAY. AND FOR THE
24 DISCOVERY, SO WE HAD BASICALLY 93, ALMOST 94 MILLION
25 UNSPENT. IT'S FOOTNOTED AS VARIANCE BECAUSE OF THE

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1 REVIEW SCHEDULES, THE DISC2, REMIND-L, ET CETERA.
2 SO THAT ALMOST 94 IS EMBEDDED IN THE 116?

3 MS. LEWIS: YEAH. SO THE BREAKDOWN IS 28
4 MILLION FOR THE QUEST AND 88 MILLION FOR THE
5 REMIND-L. I WILL NOTE THAT THAT 93, THE VARIANCE,
6 YOU ARE CORRECT, ON THE PREVIOUS SLIDE WAS 93
7 MILLION. PART OF THAT IS AT THE TIME -- REMIND-L
8 WAS A CONCEPT THAT WAS BEING DEVELOPED THROUGHOUT
9 THE LAST FISCAL YEAR. AND AT THE TIME WHEN THE
10 BOARD APPROVED THE DISCOVERY ALLOCATION IN JUNE OF
11 LAST YEAR, THERE WAS AN ESTIMATE PUT IN PLACE FOR
12 NEURO. AND THAT ACTUAL THAT THE BOARD APPROVED FOR
13 THAT CONCEPT WAS MORE THAN WHAT WE ESTIMATED.

14 SO AT THE TIME IT WAS KNOWN DURING THIS
15 PAST FISCAL YEAR THAT QUEST WASN'T GOING TO GET
16 APPROVED AND THOSE CHANGES WERE HAPPENING. SO WE
17 NEVER PIVOTED. WE JUST PIVOTED IN KNOWING THAT WE
18 WERE POSTPONING THE QUEST. SO JUST TO POINT OUT THE
19 DIFFERENCE BETWEEN 116 MILLION AND THE 93, DURING
20 THE FISCAL YEAR AS THE REMIND-L CONCEPT WAS ROLLED
21 OUT, WE KNEW THAT THAT WOULD BECOME MORE OF A HIGHER
22 COST. AND SO WE ANTICIPATED IT BEING APPROVED AT
23 THE END OF JUNE; HOWEVER, THE APPLICATION DATE WAS
24 EXTENDED.

25 MR. JUELSGAARD: SO WHAT I'M GETTING AT,

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1 JENNIFER, IS TRYING TO DIVIDE THIS INTO WHAT'S
2 BRAND-NEW IN THE PROPOSED BUDGET AND WHAT'S
3 BASICALLY A CARRY-OVER FROM WHAT DIDN'T GET DONE IN
4 THE PRIOR FISCAL YEAR. AND WHAT WE HAVE IS JUST A
5 FIXED NUMBER 410. IT LOOKS LIKE IT'S ALMOST ALL
6 BRAND NEW, BUT REALLY THAT'S NOT THE CASE. SOME OF
7 IT'S JUST HOLDING OVER BECAUSE WE DIDN'T GET TO IT.
8 I DON'T SEE A NUMBER FOR THAT, AND I'M TRYING TO
9 TEASE THAT OUT A LITTLE BIT, NOT VERY ARTFULLY, BY
10 THE WAY. I APOLOGIZE FOR THAT. BUT IS THERE A WAY
11 OF FINDING OUT WHAT IS KIND OF A CARRY-OVER AMOUNT
12 FOR ALL OF THESE VERSUS WHAT'S KIND OF NEW ON THE
13 TABLE?

14 MS. LEWIS: YES. I'M DOING THE
15 CALCULATION FOR YOU REAL QUICK. IT'S ABOUT 154
16 MILLION OF THAT IS CARRY FORWARD.

17 MR. JUELSGAARD: OKAY. SO 154 MINUS IS
18 250, 260, RIGHT AROUND 260 NEW?

19 MS. LEWIS: UH-HUH.

20 MR. JUELSGAARD: THANK YOU.

21 MS. LEWIS: YOU'RE WELCOME. IT'S A GOOD
22 POINT. THANK YOU, STEVE.

23 ANY OTHER QUESTIONS THAT I CAN ANSWER?

24 MR. TOCHER: JEN, THIS IS SCOTT IN SAN
25 FRANCISCO. THIS BRINGS UP A GOOD POINT THAT I'M

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1 SURE OTHER MEMBERS MIGHT HAVE AS WELL. MAYBE IF WE
2 CAN BETWEEN NOW AND THE FINAL BOARD MEETING AUGMENT
3 THE SLIDE TO TEASE THAT OUT A LITTLE.

4 MS. LEWIS: SURE.

5 CHAIRMAN BLUMENTHAL: OKAY. ANY OTHER
6 QUESTIONS ON THIS PARTICULAR BUDGET PROPOSAL? ALL
7 RIGHT. SO LET ME AGAIN REMIND YOU THAT THIS WAS FOR
8 INFORMATION ONLY. THIS PROPOSED BUDGET IS GOING TO
9 THE SCIENCE SUBCOMMITTEE FOR APPROVAL TOMORROW OR AT
10 FOR LEAST ENDORSEMENT TO BRING IT TO THE FULL BOARD
11 MEETING IN JUNE.

12 SO NOW WE CAN TURN TO THE ADMINISTRATIVE
13 BUDGET WHICH WE DO HAVE AN OBLIGATION TO ACT ON.
14 AND LET'S HEAR THE PRESENTATION ON THAT BUDGET.

15 MS. SIMPSON: GOOD MORNING, CHAIR AND
16 BOARD MEMBERS. I AM POUNEH SIMPSON, THE SENIOR
17 DIRECTOR OF FINANCE. I PUT THE PRESENTATION UP.
18 CAN YOU SEE IT?

19 CHAIRMAN BLUMENTHAL: WE SEE A BLANK PAGE.
20 NOT YET.

21 MS. SIMPSON: LET ME TRY ONE MORE TIME.
22 HOW ABOUT NOW?

23 CHAIRMAN BLUMENTHAL: YES.

24 MS. SIMPSON: EXCELLENT. SO I WILL BE
25 PRESENTING THE ADMINISTRATIVE BUDGET FOR FISCAL YEAR

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24/25 IN SUPPORT OF THE CIRM MISSION, WHICH IS OUR
MISSION IS TO ACCELERATE WORLD-CLASS SCIENCE TO
DELIVER TRANSFORMATIVE REGENERATIVE MEDICINE
TREATMENTS IN AN EQUITABLE MANNER TO A DIVERSE
CALIFORNIA AND WORLD.

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1 STARTING LAST YEAR, I STARTED TO PROVIDE
2 AN OVERVIEW OF PROP 14 FIRST BEFORE GETTING INTO THE
3 CURRENT YEAR BUDGET AND THE PROPOSED FISCAL YEAR.
4 SO AS PART OF OUR AGENDA, THIS YEAR, CONSISTENT WITH
5 WHAT WE DID BEFORE, I WILL BE PROVIDING THE PROP 14
6 OVERVIEW. THEN I'LL PROVIDE AN UPDATE ON WHERE WE
7 ARE THIS FISCAL YEAR, INCLUDING SOME OF THE MAJOR
8 DRIVERS, AND THE PROPOSED BUDGET FOR THE
9 SUBCOMMITTEE TO VOTE ON AT THE END.

10 SO WITH REGARDS TO PROP 14, WE START WITH
11 THE BIG BUCKET OF \$5.5 BILLION. AND FROM THAT WE
12 ISOLATE THE 4.9 BILLION RELATED TO GRANTS, AND
13 THAT'S PRESENTED SEPARATELY TO THE SCIENCE
14 COMMITTEE. THAT LEAVES THE THREE BUCKETS IN BLUE,
15 YELLOW, AND GRAY WHICH ARE THE FOCUS OF TODAY'S
16 PRESENTATION.

17 THESE THREE BUCKETS ARE OUTLINED IN THE
18 PROPOSITION, AND I HAVE A CHART THAT SHOWS THEM
19 BROKEN OUT IN A LITTLE BIT MORE DETAIL. SO IN THIS
20 CHART WE BREAK THEM OUT ACCORDING TO THE PERCENTAGES
21 ALLOWED IN THE PROPOSITION, SHOW THE TOTALITY OF THE
22 AMOUNT AVAILABLE IN EACH CATEGORY, AND HOW MUCH HAS
23 BEEN SPENT AS OF MARCH OF 2024. WE ARE IN THE
24 PROCESS OF CLOSING APRIL. SO I DON'T HAVE THOSE
25 FIGURES INCLUDED; BUT FOR THE ICOC PRESENTATION IN

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1 JUNE, THOSE FIGURES WILL BE FINALIZED AND
2 INCORPORATED. SO THE EXPENDITURE DATA WILL BE
3 UPDATED SLIGHTLY TO INCLUDE APRIL.

4 SO AS YOU CAN SEE IN THESE CATEGORIES, WE
5 ARE SPENDING SOMEWHERE BETWEEN 15 TO 20 PERCENT IN
6 EACH OF THESE CATEGORIES IN THE FIRST FOUR COLUMNS.
7 WE'RE IN YEAR FOUR, SO THIS IS CONSISTENT WITH OUR
8 PROJECTIONS OF ANY ANNUAL EXPENDITURES AND HAVING
9 ADMINISTRATIVE FUNDS TO LAST FOR THE DURATION OF THE
10 TIME THAT WE MIGHT HAVE GRANT DOLLARS TO GIVE OUT.

11 THE LAST COLUMN REPRESENTS THE STATE
12 TREASURER'S COST OF ISSUANCE. SO THIS COLUMN MAY
13 SEEM ALARMING AT FIRST BECAUSE WE ARE 70 PERCENT
14 SPENT IN THIS CATEGORY. BUT THE REASON THAT IS IS
15 THE PROPOSITION HAS TO BEAR THE COST OF ISSUING
16 BONDS THE FIRST FIVE YEARS ACCORDING TO THE LANGUAGE
17 IN THE PROPOSITION. AFTER THE FIFTH YEAR, THE
18 GENERAL FUND WILL START PICKING UP THE COST. SO THE
19 AMOUNT ALLOCATED, ROUGHLY \$100 MILLION, ONLY NEEDS
20 TO COVER OUR COSTS FOR THE FIRST FIVE YEARS. WE'RE
21 IN THE FOURTH YEAR. WE'VE GOT ABOUT 15 MORE MONTHS
22 TO GO. AND THE AMOUNT SPENT IS ACTUALLY BELOW WHAT
23 WE HAD PROJECTED THE COST WOULD BE. AND THAT'S
24 MAINLY BECAUSE IN THE VERY START OF PROP 14, THE
25 MARKET WAS GOOD AND THE STATE TREASURER WAS ABLE TO

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1 SELL BONDS WITHOUT REAL COST TO US AND THE
2 PROPOSITION. IN THE LATER SALES OF BONDS, THE
3 MARKET HAS CHANGED. WE DO HAVE TO PAY THE COSTS UP
4 FRONT, SO THAT'S THE PORTION YOU SEE SPENT.

5 SO IN TOTAL THERE IS ROUGHLY 612 MILLION
6 IN THESE FIVE BUCKETS COMBINED, AND WE HAVE TO DATE
7 SPENT ABOUT 110 MILLION. SO ABOUT 18 PERCENT.

8 SO CONTINUING ON TO FISCAL YEAR 23/24, I
9 WANT TO TELL YOU A LITTLE BIT ABOUT WHERE WE'RE AT
10 TODAY AND WHAT HAS BEEN SOME OF THE DRIVERS FOR
11 THAT.

12 SO THE ICOC APPROVED 66 TOTAL POSITIONS
13 FOR US THIS YEAR. WE HAVE FILLED 14 SO FAR, AND
14 WE'RE AT 61 POSITIONS. THERE'S FOUR POSITIONS IN
15 THE RECRUITMENT PROCESS THAT WE HOPE TO FILL BEFORE
16 THE END OF THE YEAR. AND WE HELD ON TO ONE AND
17 AREN'T RECRUITING FOR IT PENDING THE HIRE OF THE NEW
18 PRESIDENT AND CEO.

19 WE'RE CONTINUING TO IMPLEMENT THE
20 STRATEGIC PLAN WHILE EVALUATING OUR PRIORITIES.
21 WE'VE INCREASED OUTREACH BY ATTENDING EVENTS AND
22 PUTTING OUT AN EDUCATION VIDEO, AND WE HAVE
23 INCREASED INDUSTRY LEADERSHIP BY PUTTING ON THINGS
24 LIKE THE RARE DISEASE WORKSHOP THIS YEAR.

25 SO LOOKING AT THE NUMBERS, THE ICOC

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1 APPROVED A BUDGET OF \$28.9 MILLION. WE ESTIMATE
2 THAT WE WILL SPEND 25.6 MILLION BY THE END OF THIS
3 FISCAL YEAR. AND THAT'S A VARIANCE OF \$4.3 MILLION.
4 SO TYPICALLY I FOCUS ON THE AREAS WHERE THERE WAS
5 THE GREATEST VARIANCE IN DOLLARS, NOT PERCENTAGE.
6 SO IN THIS CASE THE GREATEST AREAS ARE EMPLOYEE
7 EXPENSE; REVIEWS, MEETINGS, AND WORKSHOPS; AND
8 TRAVEL.

9 SO IN THE NEXT SLIDE I WILL DIVE A LITTLE
10 BIT DEEPER INTO THOSE AREAS. SO WITH EMPLOYEE
11 EXPENSE, THIS TRADITIONALLY IS A CATEGORY THAT HAS
12 CONTRIBUTED THE MOST TO THE VARIANCE. WE WERE UNDER
13 BUDGET BY \$1.6 MILLION. AND THIS HAD TO DO WITH THE
14 DELAYS IN HIRING, SOME STAFF TURNOVER, AND SOME
15 SAVINGS WE REALIZED RELATED TO TRANSIT AND PER DIEM.

16 FOR REVIEWS, MEETINGS, AND WORKSHOPS, WE
17 WERE UNDER BUDGET BY 879,000. THIS HAD TO DO WITH
18 MEETINGS AND WORKSHOPS OCCURRING AT A LOWER COST
19 BECAUSE OF THE STAFF'S EFFORT TO NEGOTIATE HOTEL
20 COSTS AND EXPENDITURES RELATED TO THOSE MEETINGS OR
21 SOME OF THE MEETINGS AND WORKSHOPS WERE POSTPONED.

22 WITH TRAVEL, WE WERE UNDER BUDGET BY
23 290,000. AND THIS HAD TO DO BECAUSE OF THE ACTUAL
24 TRAVEL COSTS BEING LOWER THAN BUDGETED. SOME OF THE
25 VACANT POSITIONS WE HAD HAD TRAVEL BUDGETED FOR THEM

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1 WHICH DIDN'T OCCUR. AND THEN SOME OF THE TRAVEL WAS
2 POSTPONED DUE TO THE STRATEGIC ALLOCATION FRAMEWORK.

3 SO GOING A LITTLE BIT DEEPER INTO THE
4 CATEGORY THAT REALLY DRIVES THE BIGGEST PORTION OF
5 OUR VARIANCE, I WANT TO BREAK OUT THE EMPLOYEE
6 EXPENSE A LITTLE BIT MORE FOR YOU. THE VACANCIES
7 AND DELAYED STARTS RESULTED IN \$1.3 MILLION IN
8 SAVINGS THIS YEAR. THE PATIENT ADVOCATE AND BOARD
9 MEMBER PER DIEM SAVINGS WERE ABOUT 308,000 THAT WERE
10 REALIZED. AND THEN THE TRANSIT SAVINGS DUE TO
11 REMOTE WORK WERE ABOUT 53,000.

12 WHEN WE HAVE SAVINGS LIKE THIS, IT GOES
13 BACK TO THE PROPOSITION, IT'S RETURNED, AND THEN WE
14 WILL ASK FOR WHAT WE NEED TO FUND OUR PROGRAMS NEXT
15 YEAR. SO IN THIS CATEGORY, THE SAVINGS, THERE'S A
16 TREND OF SAVINGS THAT WE SEE WITH REGARDS TO THE PER
17 DIEM AND TRANSIT. SO WE DIDN'T BUDGET FOR THOSE
18 NEXT YEAR BECAUSE WE'RE SEEING A TREND THAT WE'RE
19 NOT SPENDING AS MUCH.

20 BUT WITH REGARDS TO THE VACANCIES, WE DO
21 ANTICIPATE FILLING THOSE IN THE NEXT FEW MONTHS.
22 AND SO NEXT YEAR'S BUDGET INCLUDES THE SALARIES FOR
23 THOSE VACANT POSITIONS WHERE HERE WE'RE SHOWING THEM
24 IN SAVINGS AND RETURNING THEM.

25 WITH REGARDS TO REVIEWS, MEETINGS, AND

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1 WORKSHOPS, AGAIN, SOME OF THE REVIEWS, MEETINGS, AND
2 WORKSHOPS WERE HELD AT A LOWER COST THAN
3 ANTICIPATED. AND THEN SOME CONTINGENCY FUNDS FOR
4 ADVISORY MEETINGS AND WORKSHOPS WERE POSTPONED
5 PENDING THE HIRE OF THE CEO AND THE VICE PRESIDENT
6 OF PATIENT ACCESS. THAT CONTRIBUTED TO 879,000 IN
7 SAVINGS.

8 MOVING ON TO THE PROPOSED 24/25 BUDGET, WE
9 FIRST START WITH THE THREE COLUMNS THAT WE JUST
10 SHOWED YOU, WHICH IS THE APPROVED BUDGET BY THE
11 VARIOUS CATEGORIES AND THE ESTIMATED TO FINISH FOR
12 FISCAL YEAR 23/24. IN COLUMN 4 WE'RE PRESENTING THE
13 PROPOSED BUDGET FOR 24/25. AND THEN THE LAST COLUMN
14 IS THE VARIANCE.

15 SO IN 23/24 THE ICOC, AGAIN, APPROVED 28.9
16 MILLION. FOR 24/25 WE'RE REQUESTING 31.4 MILLION.
17 SO ROUGHLY \$2 MILLION MORE IN EXPENDITURES ARE BEING
18 REQUESTED. BUT THE LAST COLUMN ISN'T COMPARING THE
19 TWO BUDGETS AGAINST EACH OTHER. IT'S COMPARING THE
20 PROPOSED BUDGET TO WHERE WE ARE IN ESTIMATED TO
21 FINISH, TO THE \$25.6 MILLION. SO WE SHOW A VARIANCE
22 OF 5.8 MILLION. AND THE LARGEST CONTRIBUTOR TO THAT
23 IS THE EMPLOYEE EXPENSES. SO THIS VARIANCE IS MADE
24 UP OF TWO PARTS. THE SAVINGS OF EXPENSES DIDN'T
25 MATERIALIZE THIS YEAR AND THEN THE INCREASES WE'RE

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1 ASKING FOR IN THE NEXT YEAR.

2 SO IN THE NEXT COUPLE OF SLIDES I WILL
3 BREAK OUT THOSE INCREASES. SO THE BUDGET IS
4 PROPOSING AN ADDITION OF FOUR POSITIONS DUE TO
5 WORKLOAD INCREASE. SO WE'RE STILL IN A RAMP-UP
6 MODE; BUT IN THE LAST TWO YEARS, WE WERE ASKING FOR
7 SIX TO TEN NEW POSITIONS EACH YEAR. WE'RE SLOWING
8 DOWN A LITTLE BIT. WE'RE ASKING FOR FOUR POSITIONS.
9 THIS REFLECTS US ACHIEVING THAT STEADY STATE AND
10 RIGHT-SIZING OF THE BUDGET TO WHERE WE WILL BE
11 MOVING FORWARD.

12 SO THE FOUR POSITIONS ARE BEING ASKED FOR
13 IN A STAGGERED FORMAT. SO IN THE PAST WE WOULD ASK
14 FOR THESE POSITIONS FOR THE FULL COMPLEMENT STARTING
15 JULY 1ST. AGAIN, WE LOOKED AT PATTERNS. DUE TO HR
16 WORKLOAD, WE'RE NOT HIRING ALL POSITIONS STARTING
17 JULY 1ST. SO IN THIS BUDGET WE'RE REQUESTING THEM
18 IN A STAGGERED FORMAT.

19 WE'RE ASKING FOR ADDITIONAL RESOURCES FOR
20 REVIEWS, MEETINGS, AND WORKSHOPS, SOME ADDITIONAL
21 RESOURCES FOR TRAVEL, AS THAT HAS RESUMED TO
22 PREPANDEMIC LEVELS, AND THEN SOME ADDITIONAL
23 RESOURCES FOR EQUIPMENT AND SUPPLIES MAINLY RELATED
24 TO THE INVESTMENT IN SOFTWARE AND TECHNOLOGY AND THE
25 COST OF GOODS AND SERVICES HAVING GONE UP IN THAT

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1 CATEGORY.

2 SO DIVING A LITTLE BIT DEEPER INTO THE
3 CATEGORY THAT IS THE LARGEST CONTRIBUTOR TO OUR
4 VARIANCE, WHICH IS EMPLOYEE EXPENSES, WE'RE
5 SPECIFICALLY ASKING FOR \$744,000 FOR THOSE 2.75
6 PERSONNEL YEARS. SO IN THE FOLLOWING YEAR, IT WILL
7 BE A COMPLEMENT OF FOUR FULL POSITIONS, BUT IN
8 FISCAL YEAR 24/25 IT WILL BE 2.75 POSITIONS. THOSE
9 POSITIONS, LIKE I SAID, ONLY ONE OF THEM STARTS IN
10 JULY, ONE WILL START IN OCTOBER, AND TWO WILL START
11 IN JANUARY.

12 IN TERMS OF THE GENERAL STATE SALARY
13 INCREASES, WE'VE INCLUDED A PERFORMANCE BASED MERIT
14 SALARY INCREASE OF 3 PERCENT FOR ELIGIBLE STAFF AND
15 3 PERCENT COST OF LIVING FOR A TOTAL OF 731,000.
16 THE OTHER ADJUSTMENTS THAT ARE INCLUDED IN THIS ARE
17 A RETIREMENT RATE ADJUSTMENT, PROMOTIONS THAT TOOK
18 PLACE THIS YEAR, AND TEMPORARY HELP WHICH WE ARE
19 PROJECTING TO NEED FOR NEXT YEAR. IN TOTAL, THE
20 VARIANCE IS 4.6 MILLION. AND, AGAIN, I BROKE IT
21 DOWN. THAT'S MADE UP OF 1.6 MILLION FROM THE
22 SAVINGS FROM LAST YEAR AND 2.9 MILLION IN A REQUEST
23 FOR 24/25.

24 SOME OF THE RISK FACTORS THAT WE'RE
25 LOOKING AT IN BUILDING THE FISCAL YEAR 24/25 BUDGET

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1 ARE THAT CIRM CONTINUES TO ACTIVELY MANAGE OUR
2 COSTS, BUT THINGS LIKE RECRUITMENT AND PERSONNEL
3 GROWTH TEND TO BE OUT OF OUR CONTROL AS WE TRY TO
4 RECRUIT THE BEST CANDIDATE FOR THE POSITION, AND
5 THAT MAY SOMETIMES INVOLVE GOING OUT FOR RECRUITMENT
6 SEVERAL TIMES.

7 WE MIGHT HAVE SOME INCREASED COST FOR
8 GOODS DEPENDING ON THE MARKET AND THE ECONOMY AND
9 WHAT INFLATION FACTORS MAY BE. AND FINALLY, THERE
10 MIGHT STILL BE ADJUSTMENTS TO OUR MEETINGS AND
11 TRAVEL DUE TO UNKNOWN FACTORS AND SOME OF OUR WORK
12 ACTIVITIES WHICH MAY BE SHAPED BY THE STRATEGIC
13 ALLOCATION NETWORK.

14 SO I'M ASKING THE SUBCOMMITTEE TO APPROVE
15 OUR PROPOSED BUDGET FOR FISCAL YEAR 24/25 OF
16 31,440,000 TODAY. AND I'M HAPPY TO TAKE ANY
17 QUESTIONS YOU MAY HAVE.

18 CHAIRMAN BLUMENTHAL: THANK YOU, POUNEH.
19 ARE THERE ANY QUESTIONS? STEVE, I SEE YOUR HAND UP.

20 MR. JUELSGAARD: YEAH. I'D LIKE TO JUST
21 DISCUSS, IT'S LITTLE BIT OF A BUDGET ISSUE, BUT IT'S
22 ALSO A PERSONNEL ISSUE. AND JUST TO GET AN
23 UNDERSTANDING. I GUESS WHAT I'M REALLY TRYING TO
24 GET TO IS KIND OF THE TURNOVER RATE, THE HEAD COUNT
25 TURNOVER RATE THAT WE HAVE GOING ON CURRENTLY IN THE

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1 ORGANIZATION. I DON'T KNOW IF THERE'S ANYBODY ON
2 THIS CALL THAT CAN SPEAK TO THAT. SO I WENT BACK
3 AND LOOKED AT THE 2023 BUDGET JUST FOR CURIOSITY
4 SAKE OF THE SLIDES. AND CAN YOU PUT UP THE SLIDE,
5 POUNEH? GOING BACK UP. IT'S THE CONTEXT FOR THE
6 FISCAL YEAR 23/24 BUDGET. YES, RIGHT THERE. OKAY.

7 SO WITH THAT LANGUAGE IN FRONT OF
8 EVERYBODY, I WANT TO READ TO YOU WHAT WAS SAID A
9 YEAR AGO. THERE'S INCREASED STAFF LEVELS DUE TO
10 INCREASED WORKLOAD. THAT'S THE FIRST. THE SECOND
11 IS THE 22/23 BUDGETED FOR 60 TOTAL POSITIONS. SO
12 THERE'S -- ACTUALLY I THINK WE'VE GOT A BUDGET FOR
13 65 IF I READ THE NUMBERS RIGHT. BUT ANYWAY, NEVER
14 MIND. BUT HERE'S THE IMPORTANT THING.

15 IN 22/23 WE SAID 14 NEW FTE'S RECRUITED IN
16 22/23 THUS FAR. CIRM CURRENTLY IS AT 56 FTE'S, FOUR
17 IN THE HIRING PROCESS FOR THE 22/23 BUDGET YEARS.
18 SO IN BOTH THE PRIOR YEAR AND IN THIS PAST YEAR, IN
19 BOTH CASES WE RECRUITED THE SAME NUMBER OF 14 NEW
20 FTE'S RECRUITED IN THE PRIOR YEAR AND 14 NEW FTE'S
21 RECRUITED IN THIS PAST YEAR, WHICH SUGGESTS TO ME
22 THAT THERE'S A SIGNIFICANT AMOUNT OF TURNOVER GOING
23 ON IN THE ORGANIZATION, WHICH IS THE AMOUNT THAT
24 WHEN YOU PEEL OUT THE NEW POSITIONS AND LOOK AT
25 REPLACEMENT POSITIONS, THAT'S WHAT'S GOING ON.

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1 SO DOES ANYBODY HAVE A GOOD SENSE OF WHAT
2 OUR TURNOVER RATE IS AS A PERCENTAGE OF HEAD COUNT?

3 MR. AGUIRRE-SACASA: STEVE, THIS IS
4 RAFAEL. I DON'T HAVE THAT NUMBER, BUT I'LL BE HAPPY
5 TO GET BACK TO YOU. I DON'T HAVE THAT NUMBER HANDY.
6 SORRY.

7 MR. JUELSGAARD: OKAY. WELL, I'LL
8 PROBABLY ASK THE SAME QUESTION AT THE MEETING
9 BECAUSE I THINK IT'S SOMETHING WE HAVEN'T REALLY
10 TALKED ABOUT BEFORE. WE DID TALK ABOUT WITH THE
11 AUDIT OF SOME CONCERNS THAT WERE AMONGST THE
12 EMPLOYEE POPULATION. AND TO SOME EXTENT THIS MAY BE
13 TRANSLATING INTO TURNOVER -- I'M NOT SURE -- IF
14 INDEED MY SUSPICION IS TURNOVER IS A LITTLE GREATER
15 THAN ANYONE MIGHT NORMALLY EXPECT IN AN ORGANIZATION
16 AND WHAT'S BEHIND THAT.

17 MR. AGUIRRE-SACASA: I'LL BE HAPPY TO GET
18 YOU SOME NUMBERS FOR THAT AND SOME DATA FOR THE
19 COMMITTEE AS WELL.

20 DR. JUELSGAARD: AND THEN THE SECOND THING
21 IS WE JUST LOOKED AT A HALF-YEAR RESEARCH BUDGET.
22 THERE'S ANOTHER HALF YEAR TO GO. THERE'S GOING TO
23 BE SOME DISCUSSION ABOUT WHAT WE'RE GOING TO DO TO
24 TRY AND REDO OUR PRIORITIZATION ABOUT APPROVALS, ET
25 CETERA. AND I KNOW THERE ARE SOME SUGGESTIONS BEING

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1 MADE ABOUT THIS BEFORE THAT, ET CETERA.

2 BUT IF YOU LOOK AT THE SLIDES, THE OTHER
3 SET OF SLIDES, WHICH YOU DON'T NEED TO PUT UP, BUT
4 YOU LOOK AT THE TOTAL PROPOSITION 14 CAPS, THE CAP
5 ON REGULAR EMPLOYEES IS SET AT 70. AND WE'RE
6 CURRENTLY BUDGETED FOR 60; BUT WITH THE ADDITION OF
7 THIS NEW HEAD COUNT, WE'D BE AT 63 IF I UNDERSTAND
8 CORRECTLY. THIS, OF COURSE, DOESN'T INCLUDE ACCESS
9 AND AFFORDABILITY. SO ESSENTIALLY WE'D BE AT 63
10 HEAD COUNT WHEN WE HAVE THE OPPORTUNITY TO HAVE 70.
11 AND SO THE QUESTION, AND NOT NECESSARILY FOR THIS
12 GROUP TO ANSWER, BUT IS AMONGST THE CONSIDERATIONS
13 FOR TRYING TO DEAL WITH THE RAMP-UP AND THE NUMBER
14 OF APPLICATIONS, WHAT'S THE THOUGHT ABOUT ACTUALLY
15 INCREASING HEAD COUNT TO DO WITH THAT AS OPPOSED TO
16 SKINNYING DOWN THE NUMBER OF THINGS THAT WE LOOK AT?
17 BECAUSE I DIDN'T SEE THAT AMONGST SO FAR WHAT'S
18 BEING PROPOSED OF REALLY RAMPING UP HEAD COUNT AND
19 BEING ABLE TO, IN ESSENCE, BROADEN THE FUNNEL AT OUR
20 END, THE MANAGEMENT END.

21 SO, AGAIN, WHEN WE COME TO THAT, I'D LIKE
22 TO UNDERSTAND WHY WE'RE NOT CONSIDERING THAT IF
23 WE'RE NOT CONSIDERING IT, BUT IT DOESN'T LOOK LIKE
24 WE ARE BASED ON THIS COMING YEAR'S BUDGET. SO NOT
25 REALLY AN ANSWER TO THAT QUESTION, JUST SOMETHING I

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1 PUT ON THE TABLE.

2 CHAIRMAN BLUMENTHAL: GREAT. THANK YOU,
3 STEVE. I THINK THOSE ARE GOOD QUESTIONS. MARIA.

4 VICE CHAIR BONNEVILLE: THANK YOU, GEORGE.
5 SOMETHING THAT I HAVE TALKED TO THE INTERNAL TEAM
6 ABOUT BUT ALSO HAVE HAD CONVERSATIONS WITH GEORGE
7 AND THEN ALSO LARRY AND MARK, ONCE THE
8 PRIORITIZATION EFFORT HAS BEEN PRESENTED TO THE
9 BOARD, I WOULD HOPE THAT, IN ADDITION TO WHAT THAT
10 LOOKS LIKE, THAT THE TEAM WOULD COME TO THE BOARD
11 WITH A LONGER TERM SET OF NUMBERS. SO OVER THE
12 COURSE OF THE NEXT THREE YEARS, FIVE YEARS, WHATEVER
13 THAT MIGHT BE, WHAT THE BUDGETS LOOK LIKE, WHAT
14 WE'RE PROJECTED TO SPEND BASED ON EITHER A REWORK OF
15 THE STRATEGIC PLAN OR THE PRIORITIZATION EFFORT, AND
16 THEN THE OVERLAY OF WHAT AN HR PLAN LOOKS LIKE WITH
17 THAT AND ADMINISTRATIVE BUDGET.

18 SO PERHAPS THAT'S JUST SOMETHING -- WE HAD
19 TALKED ABOUT DOING THAT FOR NEXT YEAR'S BUDGET, BUT
20 PERHAPS THAT'S SOMETHING WE CAN DO IN COORDINATION
21 WITH WHATEVER EFFORTS COME TO THE BOARD IN
22 SEPTEMBER. I THINK THAT WOULD ANSWER SOME OF
23 STEVE'S QUESTIONS PERHAPS AROUND THE HEAD COUNT
24 ISSUE AS WELL.

25 AND THEN JUST ONE THING. I REALIZE THAT

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1 WE TALK ABOUT EMPLOYEES, BASED ON SORT OF FROM A
2 BUDGET PERSPECTIVE, WHAT THAT COSTS US AS A MEANS
3 FOR EMPLOYEES. SO IF SOMEBODY COMES IN HALF A YEAR,
4 WE CONSIDER THAT A HALF YEAR'S SALARY. BUT I THINK
5 BECAUSE WE DO HAVE A CAP ON HEAD COUNT, I THINK IT'S
6 IMPORTANT TO, EVEN THOUGH IT MIGHT ONLY BE
7 CONSIDERED A HALF YEAR, TO SHOW THAT IN THE CONTEXT
8 OF WHAT THAT MEANS AGAINST THE TOTAL HEAD COUNT FOR
9 BOTH THE ORGANIZATION AND THE ACCESS AND
10 AFFORDABILITY GROUP BECAUSE I KNOW THERE'S DIFFERENT
11 CAPS FOR THOSE TWO DEPARTMENTS. SO THANK YOU.

12 MS. SIMPSON: WE DO BREAK OUT -- THANK YOU
13 FOR THAT FEEDBACK. WE DO BREAK OUT THOSE POSITION
14 CAPS IN THE APPENDIX. IT'S THE FIRST SLIDE. AND WE
15 DO PROVIDE THAT DETAIL.

16 CHAIRMAN BLUMENTHAL: THANK YOU. JOE, I
17 SAW YOUR HAND WAS UP, BUT IT ISN'T NOW.

18 MR. PANETTA: THANKS, GEORGE. I THINK --
19 I WAS KIND OF GETTING AT STEVE'S QUESTION. SO I'M
20 NOT GOING TO TAKE UP MORE TIME. I THINK STEVE
21 BROUGHT IT UP. THANKS.

22 CHAIRMAN BLUMENTHAL: THANK YOU. STEVE.

23 MR. JUELSGAARD: ONE OTHER DIFFERENT
24 THING, POUNEH. YOU TALKED ABOUT INCREASES IN
25 SALARIES. THERE ARE TWO CATEGORIES, ONE, COST OF

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1 LIVING 3 PERCENT, WHICH IS VERY TYPICAL AT LEAST THE
2 INDUSTRY SIDE. WHATEVER THE PERCENTAGE IS THE
3 PERCENTAGE IS, BUT IT'S SORT OF ONE FOR EVERYBODY
4 COST OF LIVING. THE OTHER, HOWEVER, ON THE INDUSTRY
5 SIDE IS A LITTLE MORE VARIABLE. IT'S CALLED A MERIT
6 INCREASE, AND IT REALLY DEPENDS UPON THE PERFORMANCE
7 OF AN INDIVIDUAL. THOSE MERITS CAN RANGE ANYWHERE
8 FROM ZERO TO WHATEVER THE CAP IS, LET'S SAY IT'S 8
9 PERCENT.

10 ARE THE MERIT INCREASES THAT ARE BEING
11 RECOMMENDED HERE, ARE THEY THE SAME FOR EVERYBODY,
12 OR IS THERE VARIATION BASED ON PERFORMANCE?

13 MS. SIMPSON: SO THE STATE TYPICALLY
14 PROVIDES A 3 PERCENT OR 5 PERCENT, OTHER DEPARTMENTS
15 PROVIDE 5-PERCENT MERIT INCREASES. CIRM PROVIDES A
16 3-PERCENT MERIT INCREASE TO EMPLOYEES WHO ARE
17 ELIGIBLE FOR IT. NOT ALL EMPLOYEES ARE. NEWER
18 EMPLOYEES ARE NOT ELIGIBLE FOR IT. AND IT IS BASED
19 ON PERFORMANCE. SO THOSE WHO HAVE A PERFORMANCE
20 EVALUATION WHERE THEY MEET THEIR POSITION'S
21 OBJECTIVES AND PERFORMANCE LEVELS ARE ELIGIBLE TO
22 RECEIVE THAT 3 PERCENT.

23 MR. JUELGAARD: SO IT'S ALL OR NOTHING.
24 IT'S ZERO OR THREE. THOSE ARE YOUR CHOICES?

25 MR. AGUIRRE-SACASA: SORRY, STEVE. THIS

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1 IS RAFAEL AGAIN. TRADITIONALLY THAT'S BEEN THE
2 CASE. IT'S GENERALLY A 3 PERCENT ACROSS THE BOARD.
3 BUT THERE HAVE BEEN INSTANCES WHERE CERTAIN
4 PERFORMERS HAVE EARNED A LITTLE BIT HIGHER DEPENDING
5 ON THEIR PAST YEAR PERFORMANCES.

6 MR. JUELSGAARD: I'M NOT BEING CRITICAL.
7 I'M JUST TRYING TO UNDERSTAND HOW PERFORMANCE WORKS
8 IN THE CONTEXT OF IT.

9 MR. AGUIRRE-SACASA: NO. JUST WANTED TO
10 FILL YOU IN ON THAT. SO GENERALLY IT'S ACROSS THE
11 BOARD, BUT THERE HAVE BEEN CASES WHERE WE HAD
12 OUTSTANDING WORK THAT HAVE BEEN HIGHER THAN THE
13 STANDARD INCREASE.

14 MR. JUELSGAARD: THANKS.

15 CHAIRMAN BLUMENTHAL: I HAD A QUICK
16 COMMENT. POUNEH, I LIKE VERY MUCH THE WAY IN THE
17 BEGINNING OF THE PRESENTATION YOU SHOWED DATA ON OUR
18 BURN RATE COMPARED TO THE TOTAL AMOUNT OF FUNDING
19 AVAILABLE OVER THE DURATION OF THE PROPOSITION. I
20 THOUGHT THAT WAS VERY GOOD. BUT I THINK IT WOULD BE
21 USEFUL AS WELL IN FUTURE PRESENTATIONS TO ALSO SHOW
22 THE RESEARCH BUDGET AND HOW WE'RE BURNING THROUGH
23 THAT AS WELL SO THAT WE HAD A GOOD SENSE OF WHAT THE
24 TOTAL FUNDING PICTURE IS FOR CIRM AND TO ENSURE THAT
25 WE'RE NOT BURNING ADMINISTRATIVE FUNDS A WHOLE LOT

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1 FASTER OR SLOWER THAN THE BURN RATE OF RESEARCH
2 FUNDING. SO THAT'S JUST A SUGGESTION FOR THE
3 FUTURE.

4 MS. SIMPSON: SO JUST TO ADD A BAR HERE,
5 YOU MEAN?

6 CHAIRMAN BLUMENTHAL: YEAH.

7 MS. SIMPSON: OKAY. SURE. THANK YOU FOR
8 THAT FEEDBACK.

9 MS. LEWIS: YEAH. AND THANK YOU, GEORGE.
10 JUST TO LET YOU KNOW, IN THE RESEARCH BUDGET, I GAVE
11 YOU GUYS TWO SLIDES FROM THE RESEARCH BUDGET
12 PRESENTATION THAT DOES HAVE A SIMILAR BACKGROUND
13 THAT IS IN THE FULL POSTING. SO WE CAN INCORPORATE
14 THAT TOGETHER IN FUTURE PRESENTATIONS.

15 CHAIRMAN BLUMENTHAL: GREAT. I THINK THAT
16 WOULD BE HELPFUL. THANK YOU.

17 ARE THERE OTHER COMMENTS? I HEAR NONE.
18 ARE THERE ANY PUBLIC COMMENTS, COMMENTS FROM THE
19 PUBLIC?

20 MS. MANDAC: THERE ARE NO HANDS RAISED.

21 CHAIRMAN BLUMENTHAL: OKAY. SO AT THIS
22 POINT OUR TASK IS TO ENDORSE THIS BUDGET TO THE
23 BOARD. COULD I HEAR A MOTION TO THAT EFFECT?

24 DR. MELMED: SO MOVED.

25 MR. JUELGAARD: I'LL SECOND IF I DIDN'T

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1 MOVE.

2 CHAIRMAN BLUMENTHAL: OKAY. WE HAVE A
3 MOTION AND A SECOND TO MOVE THIS BUDGET TO THE BOARD
4 FOR APPROVAL FOR THE NEXT FISCAL YEAR. AND I THINK
5 WE'RE READY FOR A ROLL CALL VOTE.

6 MS. MANDAC: GEORGE BLUMENTHAL.

7 CHAIRMAN BLUMENTHAL: YES.

8 MS. MANDAC: MARIA BONNEVILLE.

9 VICE CHAIR BONNEVILLE: YES.

10 MS. MANDAC: VITO IMBASCIANI.

11 CHAIRMAN IMBASCIANI: YES.

12 MS. MANDAC: STEVE JUELSGAARD.

13 MR. JUELSGAARD: YES.

14 MS. MANDAC: SHLOMO MELMED.

15 DR. MELMED: YES.

16 MS. MANDAC: JOE PANETTA.

17 MR. PANETTA: YES.

18 MS. MANDAC: MICHAEL STAMOS.

19 THE MOTION CARRIES.

20 CHAIRMAN BLUMENTHAL: OKAY. THE MOTION IS
21 CARRIED. I THINK THAT TAKES CARE OF ALL OF OUR
22 BUSINESS FOR TODAY. SO WE WERE VERY EFFICIENT. AND
23 I PARTICULARLY WANT TO THANK POUNEH AND JENNIFER FOR
24 THEIR PRESENTATIONS. AND I THINK WE'RE READY TO GO.

25 MS. SIMPSON: THANK YOU VERY MUCH.

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(THE MEETING WAS THEN CONCLUDED AT 11:43 A.M.)

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE VIRTUAL PROCEEDINGS BEFORE THE FINANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON MAY 20, 2024, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CA CSR 7152
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