

BETH C. DRAIN, CA CSR NO. 7152

BEFORE THE
CITIZENS' FINANCIAL ACCOUNTABILITY OVERSIGHT
COMMITTEE

ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: VIA ZOOM

DATE: NOVEMBER 9, 2022
9 A.M.

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

FILE NO.: 2022-41

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1 WEDNESDAY, NOVEMBER 9, 2022; 9:00 A.M.

2

3 CONTROLLER YEE: WELCOME. IT IS 9:01 ON
4 WEDNESDAY, NOVEMBER 9, 2022, AND WE ARE CONVENE
5 HERE REMOTELY FOR THE CITIZENS FINANCIAL
6 ACCOUNTABILITY OVERSIGHT COMMITTEE. GOOD MORNING,
7 EVERYONE.

8 BEFORE WE PROCEED, I WOULD ASK ALL OF YOU,
9 IF YOU ARE ABLE, TO PLEASE RISE AND JOIN ME IN THE
10 PLEDGE OF ALLEGIANCE.

11 (THE PLEDGE OF ALLEGIANCE.)

12 CONTROLLER YEE: THANK YOU. I NOW CALL
13 THIS MEETING TO ORDER. AND FIRST WE WILL HAVE OUR
14 ROLL CALL. MR. EVANS, WILL YOU PLEASE CALL THE
15 ROLL.

16 MR. EVANS: CHAIR BETTY YEE.

17 CONTROLLER YEE: HERE.

18 MR. EVANS: DR. CATHERINE SARKISIAN.

19 MEMBER SARKISIAN: HERE.

20 MR. EVANS: DR. JOHN MAA.

21 MEMBER MAA: HERE.

22 MR. EVANS: DR. JIM LOTT.

23 MEMBER LOTT: HERE.

24 MR. EVANS: DR. MICHAEL QUICK.

25 MEMBER QUICK: HERE.

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1 MR. EVANS: DR. GURBINDER SEDANA.

2 CONTROLLER YEE: HE IS EXCUSED. HE'S
3 TRAVELING.

4 OKAY. THANK YOU VERY MUCH. WE HAVE A
5 QUORUM.

6 AND LET ME FIRST WELCOME THE COMMITTEE
7 MEMBERS. THANK YOU FOR TAKING THE TIME TO
8 PARTICIPATE WITH US TODAY AS WE CONVENE THE
9 COMMITTEE, WHICH IS TO PROVIDE A VERY IMPORTANT
10 OVERSIGHT FUNCTION OVER THE WORK OF THE CALIFORNIA
11 INSTITUTE FOR REGENERATIVE MEDICINE ALSO KNOWN AS
12 CIRM. AND ALSO TO LOOK AT THE OVERSIGHT RELATIVE TO
13 MY OFFICE'S REVIEW OF THE EXTERNAL AUDITOR'S ANNUAL
14 REPORT AND ANNUAL AUDIT AS WELL AS THE FINANCIAL
15 PRACTICES OF CIRM.

16 I WOULD LIKE TO GIVE EACH OF OUR CFAOC
17 COMMITTEE MEMBERS AN OPPORTUNITY TO INTRODUCE
18 THEMSELVES AND JUST MAYBE GIVE A BRIEF STATEMENT
19 ABOUT YOUR BACKGROUND SO THAT THE MEMBERS OF THE
20 PUBLIC KNOW WHO IS HERE. SO LET ME START FIRST WITH
21 DR. MAA. WELCOME.

22 DR. MAA: THANK YOU, CONTROLLER. PLEASURE
23 TO MEET EVERYONE. I'M HONORED TO BE PART OF THIS
24 IMPORTANT COMMITTEE. I'M A GENERAL SURGEON IN SAN
25 FRANCISCO. I'VE BEEN IN PRACTICE FOR 20 YEARS AND

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1 CURRENTLY AT MARIN HEALTH MEDICAL CENTER AND THE
2 IMMEDIATE PAST CHIEF OF GENERAL AND ACUTE CARE
3 SURGERY. I WAS A 2018 PRESIDENT OF THE SAN
4 FRANCISCO MARIN MEDICAL SOCIETY, AND I SERVE IN THE
5 LEADERSHIP OF THE CALIFORNIA MEDICAL ASSOCIATION.
6 ALSO SERVED AS THE CHAIR OF THE UNIVERSITY OF
7 CALIFORNIA OFFICE OF THE PRESIDENT TOBACCO-RELATED
8 DISEASE RESEARCH PROGRAMS AND ADVISORY COMMITTEE
9 WHICH OVERSAW A BUDGET FOR APPROXIMATELY \$100
10 MILLION FROM PROP 56 TAX REVENUES.

11 REALLY LOOKING FORWARD TO THE IMPORTANT
12 WORK HERE AND BEST WISHES WITH CIRM. THANK YOU.

13 CONTROLLER YEE: THANK YOU VERY MUCH.
14 WELCOME, DR. MAA.

15 DR. SARKISIAN.

16 MEMBER SARKISIAN: GOOD MORNING,
17 CONTROLLER AND EVERYBODY. MY NAME IS CATHERINE
18 SARKISIAN. I'M PROFESSOR OF MEDICINE AT UCLA. I'M
19 AN NIH-FUNDED SCIENTIST AND HAVE BEEN A PRINCIPAL
20 INVESTIGATOR FOR OVER 20 YEARS, AND I'VE SAT ON A
21 LOT OF NIH STUDY SECTION REVIEW PANELS. I DO A LOT
22 OF MENTORING OF JUNIOR FACULTY. AND I APPRECIATE
23 THE OPPORTUNITY TO CONTRIBUTE ON THIS COMMITTEE.
24 THANK YOU.

25 CONTROLLER YEE: THANK YOU, DR. SARKISIAN.

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1 WELCOME.

2 MR. JIM LOTT.

3 MEMBER LOTT: HELLO. GOOD MORNING. I'M
4 JIM LOTT. I AM A RECOVERING, RETIRED HEALTHCARE
5 POLICY WONK, MANY, MANY YEARS OF DOING THAT. I,
6 ALONG WITH DR. SEDANA, WHO ISN'T HERE TODAY, I THINK
7 ARE THE ONLY TWO ORIGINAL MEMBERS OF THIS COMMITTEE
8 WHEN THIS WAS FORMED BACK IN 2004. SO I'VE BEEN
9 HERE A LOT AND ENJOY THE ROLE.

10 I CURRENTLY, AS A RECOVERING HEALTHCARE
11 POLICY WONK, I TEACH IN THE GRAD AND UNDERGRADUATE
12 PROGRAMS IN THE CAL STATE UNIVERSITY SYSTEM AT LONG
13 BEACH AND LOS ANGELES IN BOTH PUBLIC HEALTH AND
14 HEALTHCARE ADMINISTRATION.

15 CONTROLLER YEE: THANK YOU, MR. LOTT.

16 WELCOME.

17 AND DR. QUICK.

18 MEMBER QUICK: GOOD MORNING, EVERYONE. MY
19 NAME IS MICHAEL QUICK. I'M A FACULTY MEMBER IN THE
20 DEPARTMENT OF BIOLOGICAL SCIENCES AT THE UNIVERSITY
21 OF THE SOUTHERN CALIFORNIA. MY AREA OF EXPERTISE IS
22 MOLECULAR NEUROSCIENCE. AND I'M ALSO THE PROVOST
23 EMERITUS OF THE UNIVERSITY.

24 CONTROLLER YEE: THANK YOU, DR. QUICK.

25 WELCOME.

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1 AND ALSO JOINING US HERE TODAY ARE SOME
2 ATTENDEES FROM CIRM. THEY WILL BE PART OF THE
3 PROGRAM LATER, PART OF THE AGENDA LATER. I'D LIKE
4 TO WELCOME PRESIDENT/CEO DR. MARIA MILLAN. WELCOME
5 THIS MORNING. WE ALSO HAVE THE DIRECTOR OF FINANCE,
6 POUNEH SIMPSON. AND OTHERS JOINING US FROM CIRM IS
7 ALSO CIRM BOARD CHAIR JONATHAN THOMAS AND VICE CHAIR
8 ART TORRES AND MARIA BONNEVILLE. SO THANK YOU ALL
9 FOR JOINING US TODAY.

10 AT THIS TIME I'D LIKE TO EXTEND MY
11 CONGRATULATIONS TO MS. BONNEVILLE, WHO HAS BEEN
12 SELECTED AS THE NEXT VICE CHAIR OF THE CIRM BOARD.
13 SO CONGRATULATIONS, MS. BONNEVILLE.

14 MS. BONNEVILLE: THANK YOU.

15 CONTROLLER YEE: I'M VERY HAPPY THAT YOU
16 WILL BE CONTINUING ON AND REALLY EXCITED ABOUT THE
17 NEWS ABOUT YOUR SELECTION.

18 I AM STATE CONTROLLER BETTY YEE AND HAVE
19 CONVENED YOU HERE TODAY AS CHAIR OF THE CFAOC, THE
20 CITIZENS FINANCIAL OVERSIGHT COMMITTEE. THIS IS TO
21 REALLY CARRY OUT THE DUTIES ASSIGNED TO US BY
22 PROPOSITION 14. SO WE CAN DISCUSS THE ANNUAL
23 EXPENDITURES OF THE AVAILABLE BOND FUNDING FROM
24 PROPOSITION 14 AND THE RESULTS OF THE ANNUAL
25 FINANCIAL AUDIT OF CIRM.

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1 IN ADDITION TO THE AUDIT REVIEWS AND
2 REVIEWS OF THE CIRM ACTIVITIES SINCE OUR MEETING
3 LAST NOVEMBER, WE WILL ALSO HEAR A PRESENTATION BY
4 CIRM PRESIDENT AND CEO, DR. MARIA MILLAN. DR.
5 MILLAN WILL UPDATE US ABOUT CIRM'S WORK, INCLUDING
6 AN OVERVIEW OF THE NEW STRATEGIC PLAN THAT THE BOARD
7 APPROVED SINCE OUR LAST MEETING, AND ALSO PROVIDE AN
8 UPDATE OF THE CIRM-INITIATED CLINICAL TRIALS AND
9 OTHER HIGHLIGHTS OF THE CUMULATIVE WORK OF CIRM TO
10 DATE.

11 SO A PRETTY FULL AGENDA. WE ALWAYS LOOK
12 FORWARD TO THE UPDATES. ALWAYS SOME VERY EXCITING
13 THINGS HAPPENING WITH THE CIRM PROJECT.

14 OUR NEXT ORDER OF BUSINESS IS AN ACTION
15 ITEM, MEMBERS. IT IS THE ADOPTION OF THE MINUTES
16 FROM OUR NOVEMBER 10TH, 2021, CFAOC MEETING. SO IS
17 THERE A MOTION TO APPROVE THE MINUTES?

18 MEMBER QUICK: SO MOVED.

19 CONTROLLER YEE: OKAY. MOTION BY DR.
20 QUICK, SECONDED BY MR. LOTT. WITHOUT OBJECTION, THE
21 MINUTES ARE ADOPTED. THANK YOU VERY MUCH.

22 OUR NEXT ITEM IS A CEO UPDATE; BUT BEFORE
23 WE PROCEED, I'D LIKE TO JUST TAKE A MOMENT OF
24 PERSONAL PRIVILEGE TO JUST SAY HOW MUCH I HAVE HAD
25 THE HONOR TO CHAIR THIS COMMITTEE OVER THE LAST

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1 EIGHT YEARS AS CONTROLLER. I WILL BE LEAVING MY
2 OFFICE DUE TO TERM LIMITS IN JANUARY. BUT JUST TO
3 HAVE THE OPPORTUNITY TO PROVIDE THIS IMPORTANT
4 OVERSIGHT FUNCTION, I VERY MUCH APPRECIATED THE
5 OPPORTUNITY TO LEARN ABOUT THE TREMENDOUS PROGRESS
6 THAT CIRM HAS HELPED ENGINEER FOR SOME VERY RARE AND
7 COMPLICATED ILLNESSES AND DISEASES. AND THIS IS
8 PROGRESS THAT CALIFORNIA VOTERS REALLY SUPPORTED
9 WITH THE PASSAGE OF PROPOSITION 14 IN 2020.

10 I KNOW SOMETIMES OVERSIGHT CAN BE JUST
11 LADEN WITH A LOT OF FOCUS ON NUMBERS, BUT THERE ARE
12 SO MANY TANGIBLES ASSOCIATED WITH THE SUCCESS OF AN
13 ENDEAVOR LIKE THIS, WHICH IS WHY WE TAKE THE
14 OPPORTUNITY HERE AT THE CFAOC TO REALLY TRY TO PUT A
15 CONTEXT AROUND THE FINANCIALS THAT WE HAVE THE
16 OPPORTUNITY TO REVIEW.

17 SO I LOOK FORWARD TO HEARING ABOUT CIRM'S
18 ONGOING EFFORTS TO ENSURE DIVERSE ACCESS AND
19 PARTICIPATION IN ITS GRANT-FUNDED CLINICAL TRIALS
20 AND ITS CONCERTED EFFORT TO BRING DOWN HEALTHCARE
21 BARRIERS THAT HAVE UNFORTUNATELY EXISTED FOR TOO
22 LONG FOR THE UNDERSERVED, LOW-INCOME, AND MINORITY
23 COMMUNITIES IN OUR STATE IS VERY, VERY MUCH NEEDED
24 AND VERY MUCH APPRECIATED AS A POINT OF FOCUS OF
25 CIRM.

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1 I ALSO WANT TO COMMEND CIRM FOR CONTINUING
2 THE SUPPORT OF THE SPARK AND BRIDGES PROGRAMS AS
3 THESE PROGRAMS IMPRESSIVELY CONTINUE TO ENGAGE YOUNG
4 ADULTS IN OUR STATE'S UNDERSERVED COMMUNITIES TO
5 ENCOURAGE CAREERS IN SCIENCE AND MEDICINE. SO JUST
6 ONE OF THE WONDERFUL HIGHLIGHTS OF CIRM'S WORK.

7 SO AT THIS TIME I'M HONORED TO WELCOME
8 CIRM'S CEO, DR. MARIA MILLAN. GOOD MORNING.

9 DR. MILLAN: GOOD MORNING, CHAIRWOMAN YEE.
10 I'M TURNING IT OVER TO OUR BOARD CHAIR JONATHAN
11 THOMAS FOR A FEW WORDS IF THAT'S OKAY.

12 CONTROLLER YEE: OF COURSE. ABSOLUTELY.
13 AND I KNOW THAT, AS YOU BRING US UP TO DATE, THAT
14 I'M SURE THE COMMITTEE MEMBERS WILL APPRECIATE
15 HEARING ABOUT THE CHANGES YOU'VE IMPLEMENTED SINCE
16 THE DEVELOPMENT OF YOUR STRATEGIC PLAN AND ANY
17 RELATED PROGRAM, CLINICAL TRIALS, GRANT FUNDING
18 CHANGES. AND WE ALSO LOOK FORWARD AS WELL TO
19 HEARING HIGHLIGHTS OF ONGOING PROJECTS, PENDING
20 CLINICAL TRIALS, AND JUST OTHER EXAMPLES OF THE
21 SUCCESS CIRM HAS HELPED FUND.

22 I DON'T FEEL LIKE WE GET ENOUGH PUBLIC
23 EXPOSURE OF THIS. SO WE LIKE TO TAKE AN OPPORTUNITY
24 HERE AT CFAOC TO SHOWCASE THAT AS WELL. SO GOOD
25 MORNING. GOOD MORNING.

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1 CHAIRMAN THOMAS: THANK YOU, MADAM
2 CONTROLLER AND MEMBERS OF THE CFAOC. IT'S A GREAT
3 PRIVILEGE, AS ALWAYS, TO BE HERE TO PRESENT TO YOU
4 THE PROGRESS THAT CIRM HAS MADE OVER THE PAST YEAR.
5 IT IS ALSO FOR ME, AS WITH YOU, MADAM CONTROLLER, A
6 BITTERSWEET MEETING FOR ME AND FOR SENATOR TORRES AS
7 WE TOO ARE BOTH TERMED OUT. OUR FINAL MEETING WILL
8 BE JANUARY 26TH OF 2023. AND SO IT IS DEFINITELY A
9 TINGE OF BITTERSWEETNESS THAT WE HAVE THIS MEETING.

10 I WANTED TO THANK YOU AND MEMBERS OF THE
11 CFAOC VERY MUCH FOR THE CRITICAL ROLE YOU HAVE
12 PERFORMED IN HAVING OVERSIGHT OF THE AGENCY ON
13 BEHALF OF THE TAXPAYERS, WHO VOTED TO BRING CIRM
14 INTO EXISTENCE IN 2004 AND RE-UP IT IN 2020. AND WE
15 HOPE THAT ALL WE HAVE DONE HAS MEASURED UP TO THE
16 HIGH EXPECTATIONS YOU HAVE HAD FOR US AS AN AGENCY
17 TO PERFORM THE TASK WE'VE TAKEN ON WITH GREAT
18 ENTHUSIASM TO ENABLE FUNDING OF STEM CELL AND GENE
19 THERAPY RESEARCH THROUGHOUT THE STATE SINCE 2004.

20 I THINK YOU WILL HEAR FROM DR. MILLAN THAT
21 THINGS ARE IN VERY GOOD HANDS. THE AGENCY IS
22 CLICKING, AS THEY SAY, ON ALL CYLINDERS, AND WE
23 CONTINUE TO ENABLE BEST-OF-CLASS RESEARCH ACROSS A
24 WIDE SPECTRUM OF DISEASES AND CONDITIONS.

25 THE AGENCY HAS OPERATED THROUGHOUT THE

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1 COVID PERIOD WITH PEAK EFFICIENCY. WE, AS YOU KNOW,
2 NOW HAVE A 35-MEMBER BOARD, A BIT BIGGER THAN THE
3 ORIGINAL, AND IT HAS MET A GREAT MANY TIMES, I
4 BELIEVE THIS YEAR BETWEEN BOARD MEETINGS AND
5 SUBCOMMITTEES SOME 22 TIMES, WHICH IS A LOT. BUT
6 COURTESY OF ZOOM, WE'VE BEEN ABLE TO GET TOGETHER
7 WITH OUR TREMENDOUS TEAM LED BY DR. MILLAN AND
8 CONTINUE TO PERFORM OUR TASK HERE AT HAND.

9 I WANTED JUST TO GIVE YOU A BRIEF UPDATE
10 FOR THOSE WHO AREN'T FAMILIAR, I KNOW THAT YOU ARE,
11 ON THE STATUS OF THE TRANSITION HERE. AS YOU
12 POINTED OUT, WE WERE DELIGHTED THAT OUR OWN MARIA
13 BONNEVILLE WAS NOMINATED BY YOU AND YOUR FELLOW
14 CONSTITUTIONAL OFFICERS AND DULY ELECTED AS THE NEXT
15 VICE CHAIR OF CIRM. AND AS I NOTED GOING INTO THAT
16 VOTE, I'VE NEVER BEEN MORE ENTHUSIASTIC ABOUT VOTING
17 ON ANYTHING IN MY ENTIRE TENURE. I THINK THAT
18 HAVING MARIA CONTINUE IN THIS NEW ROLE GIVES
19 TREMENDOUS CONTINUITY, DEPTH OF KNOWLEDGE, AND WILL
20 BE ABLE TO LEAD AND TO HELP THE NEW INCOMING CHAIR
21 TO PERFORM HIS OR HER TASK GOING FORWARD TO TAKE THE
22 AGENCY TO EVEN GREATER HEIGHTS ALONG WITH DR. MILLAN
23 AND OUR STERLING TEAM.

24 AS YOU KNOW, THE CHAIR WILL BE EITHER JOHN
25 PEREZ OR EMILY MARCUS. THEY ARE SCHEDULED TO COME

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1 BEFORE THE GOVERNANCE SUBCOMMITTEE ON DECEMBER 12TH,
2 WHICH WILL HEAR THEIR PUBLIC STATEMENT AND THEN TALK
3 TO THEM IN SEQUENCE IN CLOSED SESSION. THAT WILL BE
4 FOLLOWED ON THE 15TH BY THE FULL BOARD MEETING AT
5 WHICH THEY WILL DO THE SAME. AND AT THAT MEETING
6 THE BOARD WILL VOTE, AND THE WINNER OF THAT ELECTION
7 AND MARIA WILL BE SWORN IN AT THE END OF THE MEETING
8 ON JANUARY 26TH. AND WE EXPECT THAT THE TRANSITION
9 WILL BE SEAMLESS AND THAT THE AGENCY WILL CONTINUE
10 TO DO WHAT IT DOES, WHICH IS TO HELP ENABLE THE
11 DEVELOPMENT OF THERAPIES AND CURES FOR PATIENTS WITH
12 UNMET MEDICAL NEEDS.

13 SO I'M SPEAKING FOR ME. IT'S BEEN THE
14 GREATEST PRIVILEGE, MADAM CONTROLLER, OF MY
15 PROFESSIONAL CAREER TO BE ABLE TO BE CHAIR OF THIS
16 AGENCY AND TO WORK WITH OUR WONDERFUL TEAM AND
17 BOARD, THE CIRM FAMILY WRIT LARGE, AND ALL THE
18 A-PLUS SCIENTISTS THAT WE HAVE HELPED FUND OVER THE
19 YEARS. SO THANK YOU VERY MUCH FOR ALL THAT YOU AND
20 THE COMMITTEE HAVE DONE, AND WE REALLY APPRECIATE
21 IT. AND WITH THAT, I WILL TURN THINGS OVER TO DR.
22 MILLAN.

23 CONTROLLER YEE: THANK YOU VERY MUCH,
24 CHAIR THOMAS. AND WE WILL MISS YOU AND THANK YOU
25 FOR JUST YOUR STEWARDSHIP TO REALLY HAVE US REACH

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1 THIS POINT OF, AS YOU SAY, REACHING DIFFERENT AND
2 NEW HEIGHTS FOR THIS TREMENDOUS INITIATIVE.

3 CHAIRMAN THOMAS: THANK YOU VERY MUCH.

4 CONTROLLER YEE: THANK YOU. GOOD MORNING.

5 DR. MILLAN: THANK YOU SO MUCH, CONTROLLER
6 YEE. WOULD YOU LIKE ME TO PROCEED WITH THE
7 PROGRAMMATIC PRESENTATION AND THEN FOLLOW WITH THE
8 FINANCIAL?

9 CONTROLLER YEE: SURE.

10 DR. MILLAN: I'M GOING TO SHARE MY SCREEN
11 WITH THE PRESENTATION. GOING TO MAKE IT A FULL
12 SCREEN SHORTLY. OKAY. ARE YOU ABLE TO SEE THAT
13 PRESENTATION?

14 CONTROLLER YEE: YES, WE CAN.

15 DR. MILLAN: OKAY. FANTASTIC.

16 THANK YOU SO MUCH, CHAIRWOMAN YEE, THIS
17 FOR AND THE MEMBERS OF THE CITIZENS FINANCIAL
18 ACCOUNTABILITY AND OVERSIGHT COMMITTEE. THANK YOU
19 SO MUCH FOR THIS OPPORTUNITY TO GIVE AN UPDATE ON
20 THE PROGRAMS BEHIND THE NUMBERS THAT YOU WILL BE
21 HEARING ABOUT SHORTLY FROM OUR SENIOR DIRECTOR OF
22 FINANCE, POUNEH SIMPSON.

23 TODAY, LAST TIME WE ADDRESSED THIS
24 COMMITTEE, PROP 14 HAD JUST PASSED, AND WE WERE JUST
25 REVVING UP OR RESTARTING OUR ACTIVITIES AS WELL AS

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1 WE WENT TO WORK ON THE STRATEGIC PLAN THAT WE HAD
2 ALREADY BEEN ANTICIPATING EVEN DURING THE TRANSITION
3 PERIOD. SO IT'S MY DELIGHT TO BE ABLE TO GIVE YOU
4 AN UPDATE ON THE STRATEGIC PLAN AS WELL AS THE
5 PROGRESS ON OUR PROGRAMS TODAY.

6 UNIDENTIFIED SPEAKER: MARIA, WE CAN'T SEE
7 THE FULL SCREEN OF YOUR SLIDES.

8 DR. MILLAN: OKAY. I WON'T BE ABLE TO SEE
9 YOU, AND I'M JUST GOING TO GO THROUGH THE
10 PRESENTATION BECAUSE I CAN ONLY SEE MY PRESENTATION
11 NOW.

12 UNIDENTIFIED SPEAKER: BUT I THINK NOW YOU
13 NEED TO SWAP YOUR DISPLAY BECAUSE WE CAN ALSO SEE
14 THE NEXT SLIDE.

15 CONTROLLER YEE: NEXT SLIDE, RIGHT.

16 DR. MILLAN: OKAY. I APOLOGIZE FOR THAT.
17 THIS HASN'T HAPPENED BEFORE. THE ZOOM JUST
18 UPGRADED, AND I THINK THIS IS WHAT HAPPENED.

19 MS. BONNEVILLE: WANT ME TO SHARE? I CAN
20 DO THAT.

21 DR. MILLAN: ACTUALLY ONE SECOND. ONE
22 SECOND.

23 MS. BONNEVILLE: OKAY. LET ME KNOW.

24 DR. MILLAN: OKAY. THERE'S
25 SOMETHING -- IT'S A DIFFERENT DISPLAY THAN USUAL.

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1 ONE SECOND HERE. ARE YOU ABLE TO STILL SEE THE
2 SLIDES AT ALL OR NO?

3 CONTROLLER YEE: WE CAN SEE THE SLIDE, BUT
4 WE SEE THE DECK KIND OF OFF TO THE LEFT OF THE
5 SCREEN.

6 DR. MILLAN: IS THAT OKAY WITH YOU? SHALL
7 I JUST PROCEED THIS WAY?

8 CONTROLLER YEE: SURE. I THINK THAT'S
9 FINE. WE CAN READ IT.

10 DR. MILLAN: OKAY. SO WE RESTATED OUR
11 MISSION, AND OUR MISSION CURRENTLY IS STATED AS
12 FOLLOWS, AND IT'S A PRETTY DELIBERATE REWORDING OF
13 THE MISSION. AND YOU'LL SEE IN A BIT THAT IT
14 REFLECTS OUR STRATEGIC PLAN.

15 SO OUR MISSION IS ACCELERATING WORLD-CLASS
16 SCIENCE TO DELIVER TRANSFORMATIVE REGENERATIVE
17 MEDICINE TREATMENTS IN AN EQUITABLE MANNER TO A
18 DIVERSE CALIFORNIA AND WORLD.

19 SO BY WAY OF HISTORY, AS YOU KNOW, CIRM
20 WAS CREATED BY PROPOSITION 71 IN 2004 WITH A \$3
21 BILLION BOND INITIATIVE. AND IN THE INTERVENING
22 PERIOD, WE'VE HAD THE PLEASURE TO WORK WITH YOU AND
23 UPDATE YOU ALONG THE WAY ON HOW CIRM HAS CREATED A
24 PATIENT-CENTRIC PROGRAM THAT FUNDS, PARTNERS,
25 ACCELERATES, AND DERISKS BASIC, TRANSLATIONAL, AND

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1 CLINICAL RESEARCH, FUNDING CRITICAL INFRASTRUCTURE
2 AND EDUCATION PROGRAMS. AND THAT SERVED AS A VERY
3 STRONG BASE FOR WHEN PROPOSITION 14 PASSED IN 2020
4 WITH A \$5.5 BILLION BOND FUNDING.

5 CONTROLLER YEE: DR. MILLAN, I THINK WE
6 PROBABLY NEED TO ADVANCE THE SLIDES AS YOU'RE
7 SPEAKING. WE ARE STILL ON THE FIRST SLIDE.

8 DR. MILLAN: OKAY. MAYBE SOMEBODY ELSE
9 CAN SHARE THE SLIDES BECAUSE I THINK THAT THERE'S
10 SOMETHING WRONG TECHNICALLY SINCE THE ZOOM GOT
11 UPGRADED ON MY COMPUTER.

12 CONTROLLER YEE: MARIA, ARE YOU ABLE TO DO
13 THAT?

14 MS. BONNEVILLE: YEAH. I'M GOING TO SHARE
15 NOW.

16 CONTROLLER YEE: OKAY.

17 MS. BONNEVILLE: LET'S SEE IF I HAVE
18 BETTER LUCK. HOW ABOUT THAT?

19 CONTROLLER YEE: THERE YOU GO. THAT'S A
20 FULL SCREEN.

21 MS. BONNEVILLE: OKAY.

22 CONTROLLER YEE: EXCELLENT.

23 DR. MILLAN: THANK YOU SO MUCH, MARIA.

24 SO NOW I'M GOING TO GO THROUGH WHAT'S
25 HAPPENED SINCE THE PASSAGE OF PROP 14. NEXT SLIDE

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1 PLEASE .

2 SO DURING THE TRANSITION MONTHS, AND WE
3 WERE ACTUALLY HERE REPORTING TO YOU, WE HAD JUST
4 FUNDED THE EMERGENCY COVID PROGRAM ANNOUNCEMENTS AS
5 WELL AS SOME CRITICAL CLINICAL TRIALS THAT WERE JUST
6 GETTING READY TO START. AND THANKFULLY WE HAD
7 ENOUGH PROPOSITION 71 FUNDS TO JUST SUPPORT THOSE
8 PROGRAMS. JUST IN TIME PROP 14 PASSED, AND WE THEN
9 RELAUNCHED ALL OUR PROGRAM OPPORTUNITIES THAT ARE
10 WHAT WE CONSIDER THE STANDING PROGRAM OPPORTUNITIES
11 IN DISCOVERY, TRANSLATIONAL, AND CLINICAL RESEARCH.
12 AND THIS HAS LED TO A TOTAL FUNDING OF 58 DISCOVERY
13 PROGRAMS, 18 TRANSLATIONAL PROGRAMS. AS YOU RECALL,
14 TRANSLATIONAL PROGRAMS IS THE AREA OF RESEARCH WHERE
15 DISCOVERIES AND BASIC SCIENCE ARE THEN DEVELOPED
16 INTO POTENTIAL THERAPIES AND CURES. AND THEN 18
17 CLINICAL PROGRAMS, EITHER GETTING READY FOR A
18 CLINICAL TRIAL OR CONDUCTING THE CLINICAL TRIAL, AND
19 PROMINENTLY 73 EDUCATION PROGRAMS WHICH IS REALLY
20 WHERE WE STARTED AS A BASE. THOSE WERE THE FIRST
21 KIND OF NEW PROGRAMS AND REVISED PROGRAMS THAT WE
22 LAUNCHED IN THE FIRST YEAR SINCE THE PASSAGE OF
23 PROPOSITION 14.

24 THERE WERE ALSO SOME SUPPLEMENTAL AWARDS
25 FOR INFRASTRUCTURE, SUCH AS OUR ALPHA CLINICS

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1 PROGRAMS AND STANDING EDUCATION PROGRAMS, TO KEEP
2 THEM GOING FOR THE PERIOD IN TIME UNTIL WE REVAMPED
3 THE PROGRAMS, HAD ADDITIONAL ENHANCEMENTS AND
4 REQUIREMENTS, AND THEN REOPENED THOSE PROGRAMS.
5 NEXT SLIDE PLEASE.

6 SO IN TOTAL THE COMBINATION OF PROPOSITION
7 71 AND PROPOSITION 14 LED TO A TOTAL INVESTMENT OF
8 \$3.6 BILLION IN GRANTS ACROSS FIVE MAJOR PILLARS OF
9 INVESTMENT. DISCOVERY PROGRAM FOR A TOTAL OF \$1.1
10 BILLION, TRANSLATIONAL RESEARCH OF A HALF A BILLION
11 DOLLARS, CLINICAL RESEARCH, WHICH EQUALS WHAT WE
12 INVESTED IN DISCOVERY, \$1.1 BILLION, EDUCATION OF
13 430 MILLION, THE BUILDING OF THE WORKFORCE AND THE
14 LEADERSHIP OF THE FUTURE AS WELL AS THE NEAR TERM,
15 AND INFRASTRUCTURE PROGRAM OF 489 MILLION. I'LL BE
16 DESCRIBING SOME OF THE NEW PROGRAMS THAT ARE IN
17 PROGRESS, BUT SO FAR IN THE PROP 14 ERA, THE NUMBERS
18 ARE SHOWN IN THE ORANGE OF WHAT'S BEEN FUNDED SINCE
19 WE RELAUNCHED CIRM UNDER PROP 14.

20 OF NOTE, 23 AWARDS EQUATED TO \$88 MILLION
21 IS IN CENTRAL NERVOUS SYSTEM AND DISEASES OF THE
22 BRAIN. AND THIS IS SIGNIFICANT BECAUSE ONE OF THE
23 STIPULATIONS OF PROPOSITION 14 IS THAT \$1.5 BILLION
24 OF THE \$5.5 BILLION BE INVESTED IN DISEASES OF THE
25 BRAIN AND CNS, DEVASTATING CONDITIONS THAT WE'RE

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1 STILL TOO FAR AWAY FROM FOR CURE, CONDITIONS SUCH AS
2 ALZHEIMER'S, PARKINSON'S, AND OTHER NEUROLOGIC AND
3 NEUROPSYCHIATRIC DISEASES. NEXT SLIDE PLEASE.

4 IN TOTAL THIS TOTAL INVESTMENT BETWEEN THE
5 PROP 71 AND PROP 14 ERA HAS YIELDED A VERY DIVERSE
6 PORTFOLIO ACROSS DISEASE AREAS, PROMINENTLY IN
7 NEUROLOGIC, CNS, HEART DISEASE, MUSCULOSKELETAL,
8 CANCER, AND A VERY PROMINENT NUMBER OF OUR PROGRAMS
9 ARE IN RARE, INHERITED BLOOD DISORDERS. AND I'LL
10 DESCRIBE SOME OF THOSE PROGRAMS IN A LITTLE WHILE.
11 NEXT SLIDE PLEASE.

12 SO ON TO THE STRATEGIC PLAN. WHEN WE LAST
13 REPORTED TO THIS COMMITTEE, WE WERE IN THE MIDST OF
14 ASSEMBLING KEY INFORMATION FROM OPINION LEADERS
15 AROUND THE WORLD IN TERMS OF WHERE THE SCIENCE IS,
16 FROM OUR OWN EXPERIENCES FROM THE GRANTS THAT WE
17 FUNDED, FROM EXPERTS IN VARIOUS AREAS OF SCIENCE AND
18 MEDICINE AND HEALTHCARE. AND BASED ON THIS, AND IN
19 WORKING WITH OUR BOARD IN SPECIALIZED WORKSHOPS, WE
20 CREATED A STRATEGIC PLAN THAT ARE ARRANGED ACROSS
21 THREE DIFFERENT PILLARS, THEMATIC PILLARS:
22 ADVANCING WORLD-CLASS SCIENCE, WHICH, OF COURSE, IS
23 AT THE CORE OF CIRM'S ACTIVITIES, BUT SPECIFICALLY
24 IN THIS PROP 14 ERA TO DELIBERATELY CREATE A
25 KNOWLEDGE NETWORK AND TEAM SCIENCE SO THE INVESTMENT

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1 IN SCIENCE IS SOMETHING THAT HAS A MULTIPLIER EFFECT
2 AND IS MORE EFFICIENTLY DRIVING THE ENTIRE FIELD.
3 DELIVERING REAL WORLD SOLUTIONS. SO AS
4 OUR PROGRAMS ARE CONTINUING TO MATURE AND MORE
5 PROGRAMS ARE MAKING THEIR WAY DOWN THE TRANSLATIONAL
6 PATH INTO CLINICAL TRIALS, WE ALSO ARE GOING TO FACE
7 VERY PRACTICAL ASPECTS OF HOW TO BRING THIS TO THE
8 REAL WORLD, TO THE COMMUNITIES, TO THOSE WHO ARE IN
9 NEED. AND THE BOTTOM LEFT INCLUDES MANUFACTURING
10 BECAUSE THIS IS A VERY NEW FIELD, NOVEL HEALTHCARE
11 MODELS WHERE YOU BRING THESE COMPLEX PROGRAMS INTO
12 THE CLINICS WHERE BOTH THE HEALTHCARE PROVIDERS AND
13 THE PATIENTS AND THE CAREGIVERS NEED TO BE PREPARED
14 AND TRAINED FOR IT. AND EXPANSION OF THE
15 INFRASTRUCTURE TO SUPPORT THIS, INCLUDING EXPANSION
16 OF THE ALPHA CLINICS NETWORK, WHICH IS ALSO A
17 STIPULATION OF PROPOSITION 14. AND A NOVEL
18 COMPONENT OF PROPOSITION 14 IS CREATING COMMUNITY
19 CARE CENTERS OF EXCELLENCE SO THAT NOT ONLY WILL THE
20 ADVANCEMENTS STAY WITHIN LARGE ACADEMIC CENTERS, BUT
21 WHERE IT'S APPROPRIATE TO PARTNER WITH THE COMMUNITY
22 CENTERS AND PROVIDERS SO THAT THIS WILL MAKE ITS WAY
23 TO THE COMMUNITIES WHERE THEY'RE NEEDED.
24 AND THEN THE THIRD PILLAR IS PROVIDING
25 OPPORTUNITY FOR ALL. AND THAT RELATES TO THE

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1 EDUCATION PROGRAMS, MAKING SURE THAT WE CONTINUE TO
2 DEVELOP AND ITERATE AND IMPROVE UPON WAYS TO BUILD
3 THE STRONGEST AND THE MOST DIVERSE AND
4 REPRESENTATIVE WORKFORCE. AND I'LL ADDRESS THAT IN
5 A LITTLE BIT WITH OUR EDUCATION AND TRAINING
6 PROGRAMS.

7 AND, IMPORTANTLY, A NEW ASPECT OF
8 PROPOSITION 14 IS RELATED TO ACCESS AND
9 AFFORDABILITY. AND I WILL DESCRIBE A LITTLE BIT
10 WHERE WE ARE ON THAT. THAT'S IN THE EARLY STAGES.
11 IT ESTABLISHES AN ACCESSIBILITY AND AFFORDABILITY
12 WORKING GROUP THAT IS COMPOSED OF BOARD MEMBERS AS
13 WELL AS OUTSIDE EXPERTS THAT WILL GUIDE CIRM IN
14 DEVELOPING PROGRAMS RELATED TO DELIVERING A ROAD MAP
15 FOR ACCESS AND AFFORDABILITY. AND PROPOSITION 14
16 PROVIDES FOR A PATIENT ASSISTANCE FUND WHICH IS FROM
17 FUNDS THAT ARE RETURNED TO THE STATE BASED ON OUR
18 REVENUE SHARING PROVISIONS, THAT THAT FUND GOES INTO
19 AN INTEREST BEARING FUND THAT IS SET ASIDE
20 SPECIFICALLY TO PROVIDE ACCESS TO THESE DEVELOPED
21 THERAPIES AND CURES THAT CIRM HAS SUPPORTED.

22 AND VERY IMPORTANTLY, UNDERLYING ALL OF
23 THESE THEMES IS A VERY FIRM AND DELIBERATE
24 COMMITMENT TO EMBEDDING THE TENETS OF DIVERSITY,
25 EQUITY, AND INCLUSION BECAUSE WITHOUT THIS WE WILL

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1 NOT HAVE SUCCEEDED, AND REACHING THOSE IN NEED, AS
2 CHAIRWOMAN YEE HAD APPOINTED OUT IN THE BEGINNING IN
3 THE INTRODUCTION. NEXT SLIDE PLEASE.

4 SO JUST A LITTLE BIT OF AN UPDATE. OF THE
5 83 -- BY THE WAY, WE HAVE FUNDED 83 CLINICAL TRIALS
6 TO DATE AND MORE ARE COMING IN. AS YOU RECALL, WE
7 HAVE MONTHLY REVIEWS OF CLINICAL PROGRAMS. SO THIS
8 PORTFOLIO IS VERY ROBUST, AND EVERY MONTH WE ARE
9 SEEING POTENTIAL PROGRAMS TO BE FUNDED. BUT I
10 WANTED TO HIGHLIGHT THE DEVELOPMENT IN THE FIELD AND
11 THE ADVANCEMENT OF GENE THERAPIES WHICH IS NOW A
12 VITAL RESEARCH OPPORTUNITY WHICH IS EMBEDDED INTO
13 THE SCOPE OF WHAT WE FUND BECAUSE CELL AND GENE
14 THERAPY ARE INTEGRALLY WOVEN IN TERMS OF WHAT THE
15 OPPORTUNITIES ARE TO CURE INCURABLE AND ADDRESS
16 UNMET MEDICAL NEEDS.

17 AND THESE ARE EXAMPLES OF CIRM PROGRAMS
18 THAT HAVE BEEN FUNDED IN CELL AND GENE THERAPY.
19 THEY ALL ADDRESS RARE, UNMET NEED. THEY'RE THE
20 TYPES OF PROGRAMS THAT EARLY ON WOULD HAVE PROBLEMS
21 GETTING FUNDING FROM STANDARD BIOPHARMA OR INVESTORS
22 BECAUSE THEY'RE HIGH RISK, BUT HIGH REWARD PROGRAMS.
23 AND IMPORTANTLY, THEY'RE INTENDED TO BE CURATIVE
24 THERAPIES.

25 SO THE PROGRAMS THAT ARE LISTED HERE ALL

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1 USE THE APPROACH OF EITHER FIXING OR REPLACING IN
2 THE GENE ITSELF THE DEFECT THAT'S LED TO A
3 CONDITION. IN THESE CASES IT'S IMMUNE DEFICIENCIES.
4 SO THE PROGRAM OUT OF UCLA, DON KOHN, IN ADA-SCID IS
5 QUITE REMARKABLE IN THAT THERE IS DATA WITH
6 LONG-TERM FOLLOW-UP FOR AS LONG AS FIVE YEARS OF
7 PATIENTS, OVER 50 PATIENTS WHO HAVE BEEN TREATED
8 THAT SHOWED CURE AND DURABLE CURE. THEY WERE BORN
9 WITHOUT IMMUNE CELLS BECAUSE THERE'S A DEFECT IN AN
10 ENZYME CALLED ADENOSINE DEAMINASE, ADA. THIS IS
11 SOMETHING THAT IS REPLACED AND FIXED, AND THEN THE
12 BLOOD STEM CELLS IS RETURNED TO THE PATIENTS, AND
13 NOW THEIR OWN BONE MARROW CRANKS OUT CORRECTED
14 CELLS. AND THOSE CELLS MATURE INTO FUNCTIONAL
15 IMMUNE SYSTEMS, FUNCTIONAL IMMUNE SYSTEMS THAT KEEP
16 REPLENISHING AND HAVE BEEN REPLENISHING IN EVIE'S
17 CASE, WHO'S PICTURED HERE, FOR ALMOST TEN YEARS
18 SINCE SHE WAS TREATED.

19 SO THERE ARE OTHER TYPES OF GENETIC
20 DEFECTS THAT HAVE ALSO BEEN APPROACHED IN A VARIETY
21 OF DIFFERENT WAYS OUT OF ST. JUDE, UCSF
22 COLLABORATION AND ALSO IN BIOPHARMA THAT'S BEEN
23 FUNDED BY CIRM BY ROCKET. AND THE DATA COMING FROM
24 THESE ARE DEFINITELY SHOWING THAT THIS APPROACH IS
25 DURABLE AND IT'S FEASIBLE. NOW THE NEXT STEP IS

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1 GETTING IT THROUGH THE FINAL APPROVAL AND FIGURING
2 OUT HOW TO DELIVER THIS TO THE PATIENTS IN NEED.

3 IMPORTANTLY, THE PROGRAM OUT OF UCSF, THE
4 ARTEMIS SCID PROGRAM, THIS PROPORTIONALLY AFFECTS
5 NATIVE AMERICANS. AND ONE OF THE KEY ASPECTS OF
6 THIS IS THEIR RELATIONSHIP THAT THAT TEAM HAS BEEN
7 ABLE TO FORM WITH THE NATIVE AMERICAN COMMUNITY AND
8 THE TRUST THAT WAS BUILT SO THAT THE PATIENTS HAVE
9 BEEN ENROLLED IN THIS TRIAL AND THEY HAVE HAD GOOD
10 OUTCOMES TO DATE. NEXT SLIDE PLEASE.

11 AND LAST TIME WE SPOKE AT SEVERAL
12 MEETINGS, WE HAD HIGHLIGHTED A LANDMARK
13 COLLABORATION WE HAVE WITH THE NIH, THE HEART LUNG
14 BLOOD INSTITUTE ON CURE SICKLE CELL. THAT PROGRAM
15 IS CONTINUING TO MAKE PROGRESS WITH PROMISING GENE
16 THERAPY WITH CRISPR-CAS9, WHICH IS A VERY PROMISING
17 APPROACH TO CORRECTING GENE DEFECTS THAT LEADS TO
18 SICKLE CELL DISEASE. AND JUST LISTED HERE ARE THE
19 PROGRAMS THAT HAVE BEEN SUPPORTED BOTH BY CIRM AND
20 THE NIH. AND THESE ARE PROGRESSING DOWN THE
21 PIPELINE IN TERMS OF A CURE FOR SICKLE CELL. WE DO
22 THINK THAT THAT'S AROUND THE CORNER. AND WE HAVE
23 HERE, EVEN IN OUR CIRM PROGRAMS, SHOTS ON GOAL; BUT,
24 IMPORTANTLY, AS A LEARNING COMMUNITY, THERE'S ALSO
25 THE LEARNING OF HOW THE NEEDS OF THE PATIENTS, NOT

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1 JUST THE SPECIFIC TRIAL ITSELF, BUT ALL THE
2 ASSOCIATED HEALTHCARE NEEDS AND SUPPORT THAT ARE
3 REQUIRED FOR PATIENTS TO BE ABLE TO EVEN ENTER INTO
4 THESE TRIALS AND BE SUPPORTED ALONG THE WAY. NEXT
5 SLIDE PLEASE.

6 AND THEN ONE OF THE OTHER TRIALS THAT WE
7 WANTED TO HIGHLIGHT IS THIS PROGRAM OUT OF UC DAVIS.
8 AND IT'S VERY, VERY SPECIAL AND IT'S REPRESENTATIVE
9 OF WHAT MAKES THIS PARTNERSHIP OF FUNDING THROUGH
10 STATE FUNDING OUR ACADEMIC CENTERS AND THE WHOLE
11 ECOSYSTEM OF STEM CELL SCIENCE AND CLINICAL
12 RESEARCH. THIS PROGRAM IS GEARED -- IS LED BY DR.
13 DIANA FARMER, A PEDIATRIC SURGEON AND A LEADER IN
14 THE FIELD AT UC DAVIS, WHERE SHE AND HER TEAM HAVE
15 DEVELOPED AN APPROACH TO TREAT A CONDITION CALLED
16 SPINA BIFIDA, WHICH IS WHERE THE COVERING OF THE
17 SPINAL CORD DOES NOT DEVELOP IN CHILDREN. AND SO
18 WHEN THEY'RE BORN, THEY LEAD TO PARALYSIS.

19 DR. FARMER AND HER TEAM USE A STEM CELL
20 APPROACH THAT IS AUTOMATRIXED TO COVER THE DEFECT
21 WHILE THE BABY IS STILL IN THE WOMB. AND SO IT
22 REALLY REQUIRES COMPLEX SURGERY AS WELL AS THE
23 SCIENCE AND ALL OF THE MANUFACTURING AND EVERYTHING
24 ELSE THAT HAS TO GO ALONG WITH THIS. AND SO FAR THE
25 RESULTS ARE STILL PENDING, BUT THERE'S BEEN SOME

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1 FAVORABLE EARLY REPORTS FROM PATIENTS ENROLLED IN
2 THE TRIAL, INCLUDING BABY TOBY AND BABY ROBBIE. AND
3 THERE'S BEEN SOME SOCIAL MEDIA AND EDUCATIONAL
4 MATERIAL OUT OF UC DAVIS, VERY EXCITING TO HEAR THE
5 JOURNEY OF THESE FAMILIES WITH THEIR BABIES. NEXT
6 SLIDE PLEASE.

7 ANOTHER ASPECT THAT IS VERY IMPORTANT TO
8 WHAT WE ARE DOING IS THAT WE HAVE EMBEDDED BOTH THE
9 TRACKING OF INFORMATION. SO HERE IS JUST A
10 SNAPSHOT. THIS IS STILL IN THE VERY BEGINNING IN
11 TERMS OF TRACKING WHERE WE ARE AND MAKING SURE WE
12 HAVE REPRESENTATION IN THE RESEARCH, NOT JUST EVEN
13 IN THE RESEARCHERS THEMSELVES, BUT THE RESEARCH
14 MATERIAL, EVEN THE TYPES OF MODELS AND THE GENETIC
15 DATA, MAKING SURE THAT IT'S REPRESENTATIVE OF THE
16 POPULATION. AND THEN WHEN IT COMES TO CLINICAL
17 TRIALS, MAKING SURE THAT THERE'S REPRESENTATION OF
18 THOSE WHO ARE EVENTUALLY GOING TO RECEIVE THE
19 TREATMENT BECAUSE, IF YOU DON'T DO THAT, THERE'S A
20 CHANCE FOR FAILURE LATER ON BECAUSE YOU HAVEN'T
21 DESIGNED IT FOR A REPRESENTATIVE POPULATION.

22 SO THIS IS JUST A SNAPSHOT OF WHERE WE
23 ARE. AND AS YOU CAN SEE, COMPARED TO THE CALIFORNIA
24 CENSUS, FOR INSTANCE, THE REPRESENTATION IN OUR
25 TRIAL SO FAR HAS NOT REALLY BEEN REFLECTIVE OF THE

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1 CALIFORNIA CENSUS. AND WE ARE TRYING TO FIGURE OUT,
2 IT'S NOT DETAILED ENOUGH. IT COULD BE THAT THE
3 TYPES OF DISEASES THAT WE -- THE TYPES OF TRIALS WE
4 HAVE FUNDED ARE SMALL NUMBERS, RARE DISEASES THAT
5 MAY NOT AFFLICT NECESSARILY THE HISPANIC OR LATINO
6 POPULATION. HOWEVER, THERE ARE CASES WHERE THERE
7 IS. IN CANCER, FOR INSTANCE, THERE SHOULD BE BETTER
8 REPRESENTATION. SO WE'RE GOING -- WE ARE IN THE
9 MIDST OF UPGRADING OUR ABILITY TO TRACK MORE
10 INFORMATION AS WELL AS TRACK INFORMATION IN SOCIAL
11 DETERMINANTS OF THE HEALTH, WHICH IS IMPORTANT,
12 ALONG WITH OTHER DEMOGRAPHIC DATA THAT ARE IN
13 COMPLIANCE WITH CALIFORNIA STATE LAW, NATIONAL
14 ACADEMY'S NIH GUIDELINES.

15 IN ADDITION, WE ARE DELIBERATELY EMBEDDING
16 HOW DIVERSITY, EQUITY, AND INCLUSION ARE INCLUDED IN
17 OUR RESEARCHER'S PLANS AS THEY CONDUCT THEIR
18 RESEARCH. AND IT'S ACTUALLY PART OF THE REVIEW
19 CRITERIA FOR FUNDING.

20 IN ADDITION, THESE DEI ELEMENTS ARE ALSO
21 PART OF THE MILESTONES IN THE PROGRESS OF THE
22 PROGRAM THAT ARE MONITORED. AND AS YOU KNOW, OUR
23 FUNDING DISBURSEMENT IS BASED ON ACHIEVEMENT OF
24 MILESTONES. SO WE ARE VERY MUCH EMBEDDING THAT INTO
25 THE PROGRAM, THE FUNDING PROGRAM MACHINERY ITSELF.

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1 NEXT SLIDE PLEASE.

2 WE DON'T NEED TO -- JUST SUFFICE TO SAY
3 THAT OUR BOARD ALONG WITH OUR REVIEW TEAM WORK VERY,
4 VERY HARD TO MAKE SURE THAT THERE'S A WAY TO TRULY
5 MEASURE HOW STRONG THESE DEI ELEMENTS ARE IN THE
6 APPLICATION WHEN THEY SCORE. SO THAT IS NOT JUST
7 SOMETHING THAT IS NOT EASY TO FOLLOW IN TERMS OF WHY
8 SOMEBODY SCORED SOMETHING ONE WAY VERSUS ANOTHER.
9 SO THIS IS A RUBRIC THAT WAS CREATED. THERE'S
10 PROGRAMMATIC DISCUSSIONS AT THE BOARD LEVEL. AND
11 ESSENTIALLY WE ARE BALANCING THIS IN A WAY THAT
12 WE'RE NOT INHIBITING THE PROGRAMS FROM GOING FORWARD
13 IF THEY'RE MERITORIOUS AND WORTHWHILE, BUT WE ARE
14 WORKING WITH THE INVESTIGATORS SO THAT TOGETHER WE
15 CAN HAVE A PARADIGM SHIFT IN HOW DEI IS INCORPORATED
16 INTO THE PLANS BECAUSE IF WE DON'T PLAN FOR IT,
17 DON'T MEASURE IT, THINGS WON'T CHANGE. NEXT SLIDE
18 PLEASE.

19 CONTROLLER YEE: DR. MILLAN, BEFORE YOU GO
20 FURTHER, I THINK THIS MIGHT BE A GOOD PLACE TO JUST
21 PAUSE AND SEE IF THERE ARE ANY QUESTIONS OR COMMENTS
22 BY OUR COMMITTEE MEMBERS.

23 DR. MILLAN: ABSOLUTELY. YES, PLEASE, AT
24 ANY TIME ALONG THE WAY. THANK YOU.

25 CONTROLLER YEE: IF THERE ARE ANY

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1 QUESTIONS OR COMMENTS, PLEASE JUST UNMUTE AND CHIME
2 IN. MR. LOTT.

3 MEMBER LOTT: NOW YOU CAN HEAR ME, I
4 THINK.

5 CONTROLLER YEE: YES. THERE YOU ARE.

6 MEMBER LOTT: THANK YOU. THIS MAY BE A
7 GOOD POINT TO BRING UP ONE OF THE ITEMS I WANTED TO
8 HAVE YOU DISCUSS REFERENCING THE MEMO WE RECEIVED, A
9 COPY OF THE MEMO WE RECEIVED DATED JANUARY 27, 2022,
10 ON THE PERFORMANCE AUDIT. ITEM NUMBER OR FINDING
11 NO. 7 SPOKE TO DEI AS WELL AND HOW YOU MANAGE YOUR
12 GRANT REVIEW PROCESS. CAN YOU ELABORATE ON CIRM'S
13 RESPONSE? THIS WAS BACK IN JANUARY SO YOU'VE HAD A
14 YEAR TO WORK ON THIS. IT SAID CIRM WILL CONTINUE TO
15 EXPAND AND DIVERSIFY THE MEMBERSHIP OF THE GWG AND
16 BROADEN SOLICITATION FOR SPECIALIST REVIEWERS IN
17 RESPONSE TO THE QUESTION ABOUT DEI REPRESENTATION.
18 CAN YOU TELL US WHERE YOU ARE IN RELATION TO THAT
19 NOW WITH THE DISCUSSION YOU'RE GIVING US HERE?

20 CONTROLLER YEE: THANK YOU, MR. LOTT. AND
21 THANK YOU, DR. MILLAN, FOR ADDRESSING THIS. AND
22 JUST FOR MEMBERS OF THE PUBLIC, WE ARE GOING TO HAVE
23 AN INFORMATIONAL ITEM ON THE PERFORMANCE AUDIT. I
24 THINK YOUR QUESTION IS WELL PLACED WITH RESPECT TO
25 THIS DISCUSSION AT THIS TIME ON THAT PARTICULAR

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1 ISSUE. SO DR. MILLAN.

2 DR. MILLAN: THANK YOU SO MUCH. THANK YOU
3 SO MUCH FOR THAT QUESTION. WE HAVE APPROACHED IT
4 FROM BOTH THE OPERATIONAL AS WELL AS THE REVIEW
5 CRITERIA AND THEN THE FOLLOW-UP AND TRACKING.

6 IN TERMS OF OPERATIONAL, ONE OF THE THINGS
7 WE DID IS OUR REVIEW TEAM REACHED OUT TO VARIOUS
8 SOCIETIES AND OTHER ORGANIZATIONS TO PARTNER WITH
9 THEM, INCLUDING THE NATIONAL ACADEMIES AND OTHER
10 ASSOCIATIONS SPECIFICALLY AND THOSE WHO HAVE
11 MINORITY MEMBERSHIPS IN PROFESSIONAL SOCIETIES, TO
12 IDENTIFY SPECIALISTS FOR THE VARIOUS AREAS THAT ARE
13 BEING REVIEWED BY OUR GRANTS. SO THAT, IN TERMS OF
14 DIVERSIFYING BY GENDER AND REPRESENTATION, JUST IN
15 TERMS OF DIVERSE REPRESENTATION, THAT'S SOMETHING
16 THAT'S IN PROGRESS. BUT IN ADDITION, MANY OF OUR
17 MEMBERS WHO SIT ON THE GRANTS WORKING GROUP ALSO
18 HAVE SPECIALIZATION AND HAVE LED PROGRAMS IN DEI
19 BOTH AT THE NIH PROGRAMS AND AT THEIR ACADEMIC
20 CENTERS. SO THAT'S BROUGHT A WEALTH OF INFORMATION
21 AND KIND OF SHARING OF BEST PRACTICES AND LEARNING.

22 SO I WOULDN'T SAY IT'S FULLY DONE. AND
23 OUR REVIEW TEAM IS CONTINUING TO NOW ACCUMULATE THE
24 INFORMATION IN TERMS OF HOW WE ARE DOING IN TERMS OF
25 DIVERSIFYING OUR PANEL. AND SO I DON'T HAVE THE

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1 DATA, BUT I WILL SAY THAT THERE HAVE BEEN AN INFLUX
2 OF NEW REVIEWERS TO DIVERSITY.

3 MEMBER LOTT: LET ME SAY THIS AND SUGGEST
4 THAT WE PUT A HARD FOCUS ON THIS, AND THAT -- YOU'VE
5 DONE YOUR STRATEGIC PLAN. CAN WE SET SOME GOALS FOR
6 THIS EVEN IF THEY'RE ASPIRATIONAL? BUT LET'S SET
7 SOME GOALS AND DO SOME KIND OF A DASHBOARD REPORT TO
8 US, OUR COMMITTEE, ON YOUR STATUS ON REACHING THOSE
9 GOALS. BUT I THINK IT'S GOOD THAT YOU'RE FOCUSED ON
10 IT, BUT WE NEED TO SEE SOME TANGIBLE, SPECIFIC, AND
11 MEASURABLE RESULTS. AND SO I'D LIKE TO SEE -- WE
12 ONLY MEET ONCE A YEAR. PERHAPS QUARTERLY YOU CAN
13 GIVE US, SHOOT US A MEMO AND TELL US HERE'S WHAT WE
14 ASPIRED TO DO, AND HERE'S WHAT WE'VE ACHIEVED AND
15 WHAT WE DIDN'T ACHIEVE. BUT I THINK WE NEED TO HAVE
16 SOME HARDER METRICS ON THIS THAN WE HAVE, OTHER THAN
17 JUST BEING ASPIRATIONAL AND WORKING FORWARD. WE
18 NEED TO REALLY NOODLE DOWN AND MAKE THIS HAPPEN.
19 THAT'S MY SUGGESTION, MADAM CHAIR.

20 CONTROLLER YEE: NO. THANK YOU, MR. LOTT.
21 AND I THINK THAT'S A POINT WELL TAKEN. IT IS ONE OF
22 THOSE AREAS WHERE I THINK THERE'S SO MUCH FOCUS ON
23 DEI, AND I WOULD AGREE WITH YOU. IT'S PROBABLY
24 GOING TO BE IMPERFECT EVEN IN SETTING THE GOALS, BUT
25 I THINK WE DO PROBABLY NEED TO START DOING SO AND

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1 LEARN ALONG THE WAY WITH RESPECT TO JUST WHAT OF THE
2 ONGOING BARRIERS ARE FOR ACHIEVING THOSE.

3 AND SO THIS IS PROBABLY MORE TO THE CIRM
4 BOARD. THE PERFORMANCE AUDIT I REALLY WANTED TO
5 HAVE PRESENTED BEFORE US BECAUSE I KNOW THERE'S BEEN
6 A LITTLE BIT OF JUST PUBLIC CRITICISM ABOUT THIS
7 OVERSIGHT COMMITTEE NOT HAVING FOCUS ON THE
8 PERFORMANCE AUDIT, WHICH FRANKLY UNDER PROP 14 IS
9 NOT WITHIN THE JURISDICTION OF THIS BODY. IT IS
10 UNDER THE JURISDICTION OF AN INDEPENDENT AUDITOR AS
11 WELL AS OR IT COULD BE THE CALIFORNIA STATE AUDITOR,
12 BUT WE FELT IMPORTANT TO BRING IT FORWARD TODAY
13 BECAUSE OF JUST THE NEW STRATEGIC PLAN AND CERTAINLY
14 WITH THE PASSAGE OF PROP 14 TO HAVE IT ALL TIED
15 TOGETHER WITH RESPECT TO THE PRESENTATION THAT DR.
16 MILLAN JUST IS IN THE MIDST OF PROVIDING TO US
17 TODAY.

18 SO, DR. MILLAN, MAYBE JUST SOME RESPONSES
19 TO MR. LOTT'S SUGGESTION ABOUT SETTING SOME CONCRETE
20 MILESTONES.

21 DR. MILLAN: MR. LOTT, THOSE ARE
22 SUGGESTIONS WELL TAKEN. AND WE ARE RIGHT NOW
23 BRINGING IN EXTERNAL CONSULTANTS TO EXAMINE THE
24 APPROACHES TO TRACKING AND THE APPROPRIATE WAYS
25 TO -- APPROPRIATE APPROACHES THAT WE COULD TAKE TO

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1 INCREASE THE DIVERSITY OF OUR PANEL EVEN BEYOND WHAT
2 WE'RE DOING TODAY, AND WE'LL REPORT BACK TO YOU ON
3 THE PROGRESS OF THAT AS WELL AS, ONCE WE HAVE IN
4 PLACE THE TRACKING, WE DO HOPE TO MORE AND MORE BE
5 ABLE TO REPORT ON WHAT THE TRENDS HAVE BEEN WITH
6 IMPLEMENTATION OF ACTION RELATED TO THIS AREA.

7 MEMBER LOTT: THANK YOU, DR. MILLAN.

8 CONTROLLER YEE: THANK YOU, MR. LOTT, FOR
9 THE SUGGESTION. ANY OTHER QUESTIONS OR COMMENTS
10 THUS FAR?

11 I HAD ONE QUESTION, DR. MILLAN, AND THAT
12 IS COULD YOU GIVE US A LITTLE BIT MORE FLAVOR WITH
13 RESPECT TO THE TRIBAL ENGAGEMENT? THESE ARE
14 COMMUNITIES THAT HAVE HISTORICALLY EXPERIENCED SUCH
15 DISPARITIES WITH RESPECT TO HEALTHCARE ACCESS JUST
16 GENERALLY. AND THANK YOU FOR SPEAKING ABOUT JUST
17 THIS ONGOING COMMITMENT TO ESTABLISHING TRUST. BUT
18 I THINK JUST WITH RESPECT TO THE TRADITIONAL
19 RELATIONSHIPS WE HAVE HAD WITH TRIBAL COMMUNITIES,
20 SEPARATE SOVEREIGN COMMUNITIES, THE TRADITIONAL
21 HEALTH DISPARITIES. HOW -- SPEAK A LITTLE BIT ABOUT
22 JUST WHAT THAT LOOKS LIKE IN TERMS OF THE OUTREACH
23 AND THEN THE ONGOING SUSTAINED ENGAGEMENT.

24 DR. MILLAN: ABSOLUTELY. FOR THAT
25 PARTICULAR PROGRAM, ALL THE CREDIT REALLY GOES TO

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1 THAT UCSF TEAM, DR. MORT COHEN AND DR. JENNIFER
2 PUCK, BECAUSE THEY AND THEIR TEAMS ARE ON THE FRONT
3 LINE. AND IT'S ABOUT THE PRESENCE IN THE COMMUNITY
4 AND GOING TO WHERE THEY ARE AND ACTUALLY DELIVERING
5 THE CARE AND ESTABLISHING A RELATIONSHIP THROUGH
6 DELIVERING THEIR CARE AND NOT EVEN RELATED TO THE
7 CLINICAL TRIAL, BUT JUST BEING REALLY INVOLVED IN
8 WHAT THE JOURNEY IS FOR THOSE FAMILIES.

9 SO I THINK THAT THAT IS A REALLY IMPORTANT
10 AND EXCITING KIND OF DIRECTION, ESPECIALLY WITH
11 LOOKING AT WHAT WE'LL BE ABLE TO DO WITH A CONCEPT
12 THAT'S STILL IN DEVELOPMENT AND WHAT COMMUNITY CARE
13 CENTERS OF EXCELLENCE LOOKS LIKE. WHO ARE THE
14 STAKEHOLDERS THERE? WHO ARE THE COMMUNITY-BASED
15 ORGANIZATIONS? WHO ARE ON THE COMMUNITY HOSPITALS?
16 WHO ARE THE FEDERALLY QUALIFIED HEALTH CENTERS? HOW
17 DO THESE COME TOGETHER? HOW DO THEY INTEGRATE? HOW
18 DO THEY WORK WITH OUR ACADEMIC CENTERS? AND SO
19 THAT'S A REALLY EXCITING DIRECTION THAT WILL BE
20 DEVELOPED IN THE UPCOMING YEARS. THERE ARE
21 LISTENING SESSIONS THAT ARE ALREADY BEING CONDUCTED
22 BY OUR CIRM GROUP, SO JUST IN FRESNO, OF ALL THE
23 PLANS IN SOUTHERN CAL.

24 ANYWAY, IT'S A VERY LONG RESPONSE, BUT
25 IT'S ALL ABOUT THE ENGAGEMENT AT THE VERY HUMAN

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1 LEVEL AND AT THE POINT OF CARE. AND SO MORE AND
2 MORE WE'RE GOING TO ENGAGE WITH THE VARIOUS GROUPS
3 SO THAT WE HAVE A BETTER IDEA OF HOW TO REALLY
4 ENGAGE AND NOT JUST GIVE THEM OUR MATERIALS OR TRY
5 TO SELL THEM ON THINGS, RIGHT. SO TRULY REALLY
6 UNDERSTAND WHAT IS NEEDED, HOW DO THEY DO THINGS,
7 AND WHAT ARE THE GAPS THAT EVEN GET IN THE WAY EVEN
8 CONSIDERING PARTICIPATING. SO ESTABLISHING A
9 PATIENT SUPPORT PROGRAM, DETERMINING WHAT TRULY IS
10 NEEDED TO SUPPORT PATIENTS TO ACCESS CLINICAL TRIALS
11 AND CARE, DETERMINING WHAT'S APPROPRIATE TO BE
12 DELIVERED AT THE COMMUNITY SITE, AND WHERE IT IS
13 ESSENTIAL TO PROVIDE SUPPORT SO THEY CAN COME TO THE
14 ACADEMIC CENTERS FOR PROGRAMS THAT CAN'T BE DONE
15 OUTSIDE OF THE ACADEMIC CENTERS. THOSE ARE THE TYPE
16 OF PROGRAMS WE ARE DEVELOPING ALONG WITH OUR ALPHA
17 CLINICS NETWORK AND OUR EVOLVING COMMUNITY CARE
18 CENTER PROGRAM.

19 CONTROLLER YEE: THAT'S GREAT. THANK YOU
20 VERY MUCH FOR THAT RESPONSE. AND REALLY APPRECIATE
21 JUST THE COMMITMENT TO MEET THESE COMMUNITIES WHERE
22 THEY ARE AND TO REALLY BEGIN TO BUILD A TRUST FROM
23 THAT STANDPOINT AND HAVE A SUSTAINED ENGAGEMENT
24 LETTER RATHER THAN JUST SOMETIMES AS WE SEE
25 ENGAGEMENT IN OTHER AREAS OUTSIDE OF THE HEALTHCARE

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1 AREA SEEMS TO BE MORE OF A CHECK OFF THE BOX TYPE
2 ENGAGEMENT, WHICH I KNOW WAS NOT THE INTENT HERE AT
3 ALL.

4 DR. MILLAN: ABSOLUTELY NOT. THANK YOU SO
5 MUCH.

6 CONTROLLER YEE: THANK YOU. SO ANY OTHER
7 QUESTIONS? I DON'T SEE OTHER HANDS UP OR OTHER
8 MICROPHONES. SO LET ME ASK YOU, DR. MILLAN, IF YOU
9 WANT TO CONTINUE.

10 DR. MILLAN: THANK YOU SO MUCH. SO IN THE
11 NEXT FEW SLIDES, I'LL JUST GIVE EXAMPLES OF HOW WE
12 DERISK PROGRAMS WHILE WE SERVE AS A RELIABLE SOURCE
13 OF FUNDING TO BRIDGE WHAT'S CALLED THE VALLEY OF
14 DEATH WHERE GOOD IDEAS CAN FALL APART AND THEN NOT
15 BE ABLE TO MAKE IT TO THERAPY DEVELOPMENT AND TO
16 PATIENTS. AND THEN SOME CONCRETE PROGRAMS THAT ARE
17 IN DEVELOPMENT, INCLUDING A MANUFACTURING NETWORK,
18 OUR ALPHA CLINICS EXPANSION, AND THEN OTHER
19 PROGRAMS. NEXT SLIDE PLEASE.

20 AND YOU WILL RECALL THAT WHEN WE SAY
21 DERISK, WE MEAN THAT WE TAKE HIGH RISK, HIGH REWARD
22 SCIENCE THAT MAY NOT GAIN TRACTION OR INVESTMENT
23 EARLY ON AND WE SUPPORT THIS SO THAT ONCE
24 INFORMATION IS AVAILABLE AND IT'S READY TO HAVE THE
25 MAJOR INVESTMENTS AND BE BROUGHT UP CLOSER TO KIND

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1 OF MORE BROAD DEVELOPMENT, THAT THESE PROGRAMS HAVE
2 A CHANCE. AND SO CURRENTLY THERE'S A ACCUMULATIVE
3 OVER \$23 BILLION IN EXTERNAL FUNDING THAT'S GONE
4 INTO THE PROGRAMS WE INITIALLY SEEDED. SO THIS TYPE
5 OF TRACTION IS SOMETHING THAT HAS ALLOWED THE CIRM
6 INVESTMENT TO GO FURTHER. ESPECIALLY IN THESE DAYS
7 WHERE THE FINANCIAL CLIMATE IS NOT SO FAVORABLE, THE
8 DERISKING ROLE OF CIRM AND CIRM FUNDING IS CRITICAL
9 BECAUSE OTHERWISE SOME OF THESE POTENTIALLY
10 LIFESAVING TECHNOLOGIES WOULDN'T GO FORWARD. SO,
11 AGAIN, HAVING THIS RELIABLE SOURCE OF FUNDING FOR
12 HIGH RISK, HIGH REWARD RESEARCH DOES GIVE US THE
13 OPPORTUNITY TO POTENTIALLY BRING THINGS FORWARD THAT
14 COULDN'T OTHERWISE. NEXT SLIDE PLEASE.

15 AND SO THESE ARE TWO EXAMPLES OF THE SPINA
16 BIFIDA PROGRAM THAT I MENTIONED EARLIER AT UC DAVIS
17 RECEIVED ONE TRAN AWARD AND TWO CLINICAL AWARDS TO
18 GET IT TO THE PHASE WHERE IT IS. THIS OTHER PROGRAM
19 DOWN BELOW, RETINITIS PIGMENTOSA, OUT OF UC IRVINE
20 RECEIVED A DISCOVERY AWARD FOR THE ACTUAL BASIC
21 SCIENCE, A TRANSLATIONAL AWARD TO TRANSLATE IT INTO
22 SOMETHING THAT COULD BE A THERAPY, AND THREE
23 CLINICAL AWARDS TO BRING IT ALONG THE PHASES. AND
24 NOW IT'S BEING BROUGHT FORWARD BY A COMPANY IN THE
25 LATER PHASES. AND IT'S FOR A BLINDING EYE DISEASE.

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1 NEXT SLIDE PLEASE.

2 SO THOSE ARE EXAMPLES OF BRIDGING THE
3 VALLEY OF DEATH. AND A MORE RECENT PROGRAM THAT WAS
4 LAUNCHED UNDER OUR NEW STRATEGIC PLAN AND THEME OF
5 DELIVERING REAL-WORLD SOLUTIONS OVERCOMES THAT
6 BOTTLENECK THAT I MENTIONED IN TERMS OF THE
7 RESOURCES AND THE CHALLENGES OF DEVELOPING
8 MANUFACTURING PROCESSES FOR THESE NEW TYPES OF
9 TECHNOLOGIES. SO CIRM'S BOARD RECENTLY APPROVED A
10 CONCEPT APPROVAL, AND NOW THIS PROGRAM OPPORTUNITY
11 IS GOING OUT TO FUND OUR ACADEMIC GOOD MANUFACTURING
12 PRACTICE, THOSE ARE THE MANUFACTURING FACILITIES
13 THAT CAN PRODUCE SUITABLE MATERIAL FOR CLINICAL
14 TRIALS, TO FUND THOSE TO BRING THE LEVEL UP IN TERMS
15 OF THE QUALIFICATIONS SO THAT THEY'RE MORE SUITED TO
16 BE PARTNERED TO BRING PROGRAMS TO COMMERCIALIZATION.

17 AND THIS CREATES KIND OF A ONE STOP OR A
18 CONSOLIDATED AND INTEGRATED SYSTEM WHERE INDUSTRY
19 PARTNERS CAN PROVIDE PARTNERSHIP BY WAY OF
20 MANUFACTURING SERVICES, RESOURCES, AND EXPERTISE.
21 THIS CREATES A NETWORK THAT ACCELERATES, ADVANCES,
22 AND BUILDS THE PROCESS DEVELOPMENT AND MANUFACTURING
23 CAPACITY IN CALIFORNIA. IT'S SOMETHING THAT'S
24 GETTING A LOT OF ATTENTION BECAUSE THIS IS SOMETHING
25 THAT NATIONALLY, INTERNATIONALLY IS KNOWN TO BE A

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1 HUGLE BOTTLENECK IN TERMS OF BRINGING THE PROMISE OF
2 THESE CELL AND GENE THERAPIES TO PATIENTS. NEXT
3 SLIDE PLEASE.

4 THE BOARD RECENTLY APPROVED THE EXPANSION
5 OF THE ALPHA CLINICS. YOU MAY RECALL THAT WE HAD
6 FUNDED THESE ORIGINAL CLINICS, UC SAN DIEGO, A
7 CONSORTIUM OF UC IRVINE, UCLA, CITY OF HOPE, UCSF,
8 AND DAVIS AT THE MOST RECENT ONE, AND THESE HAVE
9 BEEN RAGINGLY SUCCESSFUL, SUPPORTING OVER 200
10 TRIALS, INDUSTRY AS WELL AS ACADEMIC, DEVELOPING
11 PATIENT-CENTERED CARE, CREATING EFFICIENCIES AND
12 COLLABORATIONS THAT HAVE REALLY BROUGHT THE PROGRAMS
13 FORWARD. BECAUSE OF THE SUCCESS, THE BOARD APPROVED
14 A CONCEPT TO EXPAND THESE PROGRAMS, NOT JUST IN
15 TERMS OF CAPACITY, BUT EXPERTISE, BRINGING THE
16 SPECIALIZED EXPERTISE THAT THEN CAN BE SHARED WITH
17 OTHER CENTERS, AND TOGETHER BUILDING EXPERTISE THAT
18 REALLY BRINGS THE LEVEL UP, NOT JUST IN TERMS OF THE
19 QUALITY OF CARE, BUT THINGS SUCH AS HOW DO YOU BRING
20 DIVERSITY, EQUITY, AND INCLUSION, AND HOW DO YOU
21 PARTNER WITH THE COMMUNITY IN ORDER TO DO THAT.

22 SO THERE'S SOME -- THESE WERE ALL BUILT
23 INTO THEIR APPLICATIONS AND THEIR PROPOSALS. AND
24 NOW NINE ALPHA CLINICS PROGRAMS HAVE BEEN SUPPORTED
25 THROUGHOUT CALIFORNIA AT STANFORD, UC, USC, AND

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1 CEDARS-SINAI TO THIS LIST. NEXT SLIDE PLEASE.

2 THIS IS UNDER DEVELOPMENT. IT'S A
3 COMMUNITY CARE CENTERS OF EXCELLENCE, AND IT'S JUST
4 A VISUAL IN TERMS OF HOW THESE PROGRAMS WOULD
5 INTERACT WITH EACH OTHER TO BRING FORWARD THE GOALS
6 OF ACCELERATING RESEARCH WHILE PROVIDING ACCESS AND
7 AFFORDABILITY TO ALL COMMUNITIES. NEXT SLIDE
8 PLEASE.

9 AND YOU MENTIONED, CONTROLLER YEE, THE
10 SUCCESS OF OUR EDUCATION PROGRAMS, OUR SPARK AND
11 BRIDGES PROGRAMS. THOSE HAVE BEEN RESTARTED, BUT
12 ALSO WITH MORE FEATURES THAT PROMOTE SPECIALIZED
13 WORKFORCE DEVELOPMENT IN AREAS OF NEED, SUCH AS
14 MANUFACTURING, DATA SCIENCES, MENTORSHIP, AND
15 DIVERSITY, EQUITY, AND INCLUSION. AND, AGAIN, TO
16 MR. LOTT'S COMMENTS, THE IDEA IS THAT THERE ARE
17 ACTUALLY GOING TO BE TANGIBLE METRICS THAT ARE
18 MEASURED AND TRACKED ALONG WITH THIS. FOR INSTANCE,
19 WHAT WAS THE APPLICANT POOL LIKE? WHO WERE THE
20 SUCCESSFUL APPLICANTS? WERE THERE DISPARITIES IN
21 THAT? FOR INSTANCE, WHAT KIND OF MENTORSHIP
22 PROGRAMS WERE DEVELOPED THAT PROMOTED DEI? WHAT CAN
23 BE SHARED IN BEST PRACTICES? AND ALSO WHAT IS THE
24 OUTCOME OF THE STUDENTS IN TERMS OF THEIR FUTURE
25 EDUCATION AND CAREER PATHS? NEXT SLIDE PLEASE.

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1 THIS IS REALLY IMPORTANT. OBVIOUSLY WE
2 ALL ARE COMMITTED TO THIS; BUT WHEN YOU LOOK AT
3 THESE TYPE OF REAL-WORLD REASONS WHY IT'S IMPORTANT,
4 THE PEW RESEARCH SAYS TAKE HISPANIC WORKERS MAKE UP
5 17 PERCENT OF TOTAL EMPLOYMENT ACROSS ALL
6 OCCUPATIONS, BUT JUST 8 PERCENT OF THEM ARE IN
7 SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH. AND IN
8 LOOKING AT SURVEYS, IT WAS FOUND THAT RELATIVELY FEW
9 HISPANIC ADULTS SEE SCIENTISTS AS WELCOMING TO
10 HISPANIC PROFESSIONALS IN THESE JOBS. SO WE HAVE A
11 WAYS TO GO.

12 AS YOU CAN SEE, THEY RESPONDED THAT ONLY
13 26 PERCENT OF THEM FELT WELCOMED, 42 PERCENT
14 SOMEWHAT, AND 29 PERCENT NOT ALL. NOW, PARTNER THIS
15 WITH THE IDEA THAT PATIENTS ARE MOST LIKELY TO
16 PARTICIPATE IN A TRIAL OR RECEIVE CARE WHEN ASKED BY
17 A TRUSTED PROVIDER WHO UNDERSTANDS THEM AND SPEAKS
18 THEIR LANGUAGE. ABOUT A THIRD OF HISPANIC ADULTS,
19 AND IT'S NOT JUST LANGUAGE IN TERMS OF LINGUISTICS
20 LANGUAGE, IT'S CULTURAL UNDERSTANDING. AND ABOUT A
21 THIRD OF HISPANIC ADULTS SAY THEY PREFER A
22 HEALTHCARE PROVIDER WHO SPEAKS SPANISH OR ARE
23 HISPANIC THEMSELVES. OUR GOAL WITH OUR EDUCATION
24 PROGRAM IS TO FOSTER CULTURALLY COMPETENT AND
25 DIVERSE SCIENTIFIC AND MEDICAL WORKFORCE AND

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1 LEADERSHIP. NEXT SLIDE PLEASE.

2 AND SO HERE'S SOME TRACKING THAT WE DID
3 DO, MR. LOTT. SO WHEN THE EDUCATION PROGRAMS WERE
4 LAUNCHED UNDER PROPOSITION 71, ALREADY LANGUAGE WAS
5 IN THERE TO REALLY STIPULATE. THEY WERE DESIGNED TO
6 BROADEN PARTICIPATION OF INDIVIDUALS REPRESENTING
7 THE DIVERSITY OF CALIFORNIA, INCLUDING THOSE WHO MAY
8 NOT HAVE HAD THE OPPORTUNITIES AND ARE HINDERED BY
9 SOCIOECONOMIC CONSTRAINTS. SO THE REVIEW CRITERIA
10 AND THE PROPOSAL THAT WAS ASKED OF THE APPLICANTS
11 NEEDED TO MAKE THE CASE OF HOW THEY WOULD DO THIS.

12 SO TODAY WHEN WE LOOK AT -- AGAIN, THESE
13 ARE JUST KIND OF A HIGHER LEVEL ANALYSIS. WE INTEND
14 TO DO MORE DEEP ANALYSIS IN THE FUTURE. WHEN WE
15 LOOK AT BY ETHNIC AND MINORITY GROUPS, FOR THE SPARK
16 HIGH SCHOOL PROGRAM, IN THE BLUE IS WHAT THE
17 REPRESENTATION IS IN OUR PROGRAMS VERSUS WHAT'S IN
18 THE GRAY, WHICH IS THE CALIFORNIA CENSUS DATA. SO
19 YOU CAN SEE THAT OUR PROGRAMS TRACK VERY WELL IN
20 TERMS OF MINORITY AND ETHNIC GROUP REPRESENTATION
21 FOR OUR HIGH SCHOOL PROGRAMS.

22 AND ON THE RIGHT SIDE IS THE BRIDGES
23 PROGRAM, WHICH IS THE UNDERGRADUATE AND MASTER'S
24 PROGRAM. IN THE BLUE IS THE REPRESENTATION OF OUR
25 EDUCATION PROGRAM FOR UNDERGRADUATE AND MASTER'S

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1 VERSUS THE YELLOW -- IN COMPARISON TO THE YELLOW,
2 WHICH IS THE CALIFORNIA STATE UNIVERSITY CENSUS
3 DATA. AGAIN, THE STUDENTS ENTERING INTO OUR
4 PROGRAMS TRACK VERY WELL IN TERMS OF ETHNIC AND
5 RACIAL REPRESENTATION. NEXT SLIDE PLEASE.

6 AND JUST ON A PERSONAL LEVEL, ON AN
7 INDIVIDUAL LEVEL WHAT DOES THIS MEAN? IT MEANS THAT
8 STUDENTS SUCH AS KEAU WONG AND MICHAEL SILVA, WHO
9 ARE BRIDGES TRAINEES, HAD THE OPPORTUNITY TO HAVE
10 INDUSTRY POSITIONS, AND NOW THEY ENDED UP GOING BACK
11 TO FEEDING THE FUTURE OF A WORKFORCE AS WELL AS
12 ACADEMIC LEADERSHIP. AND THEY ACTUALLY ARE PART OF
13 THE LEADERSHIP ON ONE OF OUR EDUCATION PROGRAMS
14 CALLED COMPASS. AND COMPASS STANDS FOR CREATING
15 OPPORTUNITIES THROUGH MENTORSHIP AND PARTNERSHIP
16 ACROSS STEM CELL SCIENCES WHERE THERE ARE DELIBERATE
17 MENTORSHIP PROGRAMS IN ADDITION TO EDUCATION AND
18 TRAINING. NEXT SLIDE PLEASE.

19 MEMBER LOTT: I'D LIKE TO ASK A QUESTION
20 IF I MAY.

21 DR. MILLAN: OH, SURE. ABSOLUTELY.

22 CONTROLLER YEE: YES. MR. LOTT.

23 MEMBER LOTT: FORGIVE ME, BUT CAN YOU GO
24 BACK TO THE PREVIOUS SLIDE WITH THE SCHOOL
25 INFORMATION ON IT? OKAY. THIS IS WONDERFUL. ONE

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1 OF THE THINGS THAT WE ARE LEARNING THOUGH IS THAT WE
2 NEED TO SPARK EDUCATION AND INTEREST IN STEM PRIOR
3 TO HIGH SCHOOL. YOU'D BE REACHING DOWN INTO MIDDLE
4 SCHOOLS AND EVEN ELEMENTARY SCHOOLS TO STIMULATE
5 THAT INTEREST. DREW UNIVERSITY OF MEDICINE AND
6 SCIENCE HAS A SATURDAY SCIENCE PROGRAM FOR CHILDREN.
7 AND THEY GET THEM VERY INTERESTED, AND WE HAVE
8 GRADUATED MANY STUDENTS WHO HAVE GONE ON TO BECOME
9 PHYSICIANS BECAUSE THEY GOT STARTED IN OUR SATURDAY
10 SCIENCE PROGRAM.

11 BUT BEYOND MY ISOLATED EXAMPLE THERE, THE
12 DATA SHOW THAT WE NEED TO BE REACHING DOWN FURTHER
13 INTO THE EDUCATION SYSTEM THAN SIMPLY HIGH SCHOOL
14 AND COLLEGE TO MAKE THIS HAPPEN.

15 WE HAVE A SITUATION IN CALIFORNIA,
16 PARTICULARLY WHEN YOU REPORTED ON WHAT WAS HAPPENING
17 WITH THE HISPANIC POPULATION, I THINK THE NUMBERS
18 ARE BETWEEN ONLY 5 TO 7 PERCENT OF THE LICENSED
19 PHYSICIANS IN CALIFORNIA ARE HISPANIC THOUGH THEY
20 REPRESENT WELL OVER 35 PERCENT OF THE POPULATION.
21 THIS IS A HUGE PROBLEM. THE GAP AND THE SHORTAGE IS
22 SO VAST. IT IS A GULF OF A PROBLEM.

23 AND SO I APPLAUD WHAT YOU'RE DOING HERE.
24 I WOULD ONLY ASK YOU TO THINK ABOUT REACHING BACK
25 FURTHER AND EARLIER INTO THE EDUCATION SYSTEM, NOT

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1 JUST HERE TO STIMULATE THAT INTEREST. THANK YOU,
2 MADAM CHAIR.

3 CONTROLLER YEE: THANK YOU, MR. LOTT. DR.
4 MILLAN.

5 DR. MILLAN: THANK YOU VERY MUCH FOR THAT
6 SUGGESTION. OUR INCOMING VICE CHAIR IS HERE AND OUR
7 OUTGOING CHAIR THERE, AND WE ARE ALL HEARING THIS.
8 I THINK THAT THERE ARE POTENTIALLY DIFFERENT AVENUES
9 IN ADDITION TO OUR EDUCATION PROGRAM, OUR COMMUNITY
10 OUTREACH, AND THE COMMUNITY ENGAGEMENT PROGRAM WHERE
11 WE CAN LOOK AT WHERE IS THE BEST, OR PERHAPS IN
12 MULTIPLE AVENUES, WHAT IS THE BEST WAY TO REACH
13 EARLIER THAN HIGH SCHOOL. THANK YOU FOR THAT
14 SUGGESTION.

15 MS. BONNEVILLE: AND REALLY QUICKLY, DR.
16 MILLAN, IF I COULD ADD. WE ARE CURRENTLY, DR. LOTT,
17 LOOKING AT DOING ONE OF THE SATURDAY INFORMATION
18 SESSIONS ABOUT SCIENCE WITH THE COMPTON SCHOOL
19 DISTRICT AND THE UNIVERSITY AND HOPEFULLY SOME OF
20 OUR BOARD MEMBERS. AND WE ARE JUST GOING BACK AND
21 FORTH WITH THE SCHOOL DISTRICT ABOUT WHAT THE
22 CONTRACT IS AND HOW WE GET IN, SIGN ALL THE PAPERS,
23 FINGERPRINTING, ALL THE THINGS THAT GO WITH THAT,
24 BUT THAT'S DEFINITELY IN THE WORKS. IT'S TAKEN A
25 LITTLE LONGER THAN WE WANTED TO, BUT THAT'S

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1 DEFINITELY SOMETHING THAT'S GETTING THERE. SO I
2 JUST WANTED TO GIVE YOU THAT QUICK UPDATE.

3 CONTROLLER YEE: THAT'S TERRIFIC. THANK
4 YOU.

5 DR. MILLAN: I'LL MAKE ANOTHER PLUG FOR
6 THOSE EFFORTS. SO MARIA BONNEVILLE, IT'S WONDERFUL
7 TO HAVE THIS CONTINUITY BECAUSE SHE IN HER FORMER
8 POSITION AND NOW THIS POSITION IS VERY ACTIVE
9 OBVIOUSLY IN OUR PUBLIC OUTREACH AND COMMUNICATION.
10 AND SHE AND YSABEL DURON IN THE ICOC COMMITTEE FOR
11 COMMUNICATIONS HAVE BUILT A PLAN AROUND THIS. AND
12 SO ALL OF THESE DIFFERENT ACTIVITIES, I'M SURE
13 THERE'S SO MUCH MORE THAT WE ARE NOT ABLE TO SHARE
14 HERE, BUT WE WILL BE ABLE TO, I THINK, SHARE THAT AS
15 THINGS PROGRESS. AND IT'S ANOTHER THING I'LL MAKE
16 SURE TO INCLUDE IN THE UPDATES. THANK YOU VERY
17 MUCH.

18 CONTROLLER YEE: THANK YOU.

19 DR. MILLAN: NEXT SLIDE PLEASE. SO IN
20 ADDITION TO THAT, THIS IS THE EARLIEST EFFORTS OF
21 CIRM. THESE ARE KIND OF STILL IN ITS INFANCY, BUT I
22 JUST WANTED TO GIVE AN UPDATE. AS YOU RECALL,
23 PROPOSITION 14 CREATED A PATIENT ASSISTANCE FUND.
24 OUR FIRST \$15.6 MILLION IS IN THAT PATIENT
25 ASSISTANCE FUND. CIRM -- AND THAT'S AUTHORIZED BY

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1 PROPOSITION. SO THAT'S AUTHORIZED BY PROPOSITION
2 AND DIDN'T REQUIRE ADDITIONAL APPROVAL FOR THIS.
3 HOWEVER, CIRM DID SEEK FROM THE GOVERNOR TO HAVE
4 THIS ALLOCATED TO THE CIRM PROGRAMS, ONCE IT'S
5 READY, CAN UTILIZE IT FOR OUR PATIENT SUPPORT
6 PROGRAM. OUR BOARD JUST APPROVED A CONCEPT TO
7 LAUNCH A PATIENT SUPPORT PROGRAM SO THAT IT CAN
8 OPERATIONALIZE HOW TO BEST GET THIS TO THOSE IN
9 NEED. SO THAT'S STILL, AGAIN, IN DEVELOPMENT, BUT I
10 WANTED TO PUT A PIN IN THIS SO THAT THIS IS
11 SOMETHING THAT WE'LL BE ABLE TO REPORT ON IN THE
12 FUTURE.

13 MEDICAL AFFAIRS DEPARTMENT HAS BEEN FORMED
14 AT CIRM IN ORDER TO MAKE SURE THAT IT HAS THE
15 SUPPORT ALONG WITH WHAT'S CALLED THE STEERING
16 COMMITTEE. HERE IS OUR ACCESSIBILITY AND
17 AFFORDABILITY WORKING GROUP. SO THAT IS SOMETHING
18 THAT'S GOING TO BE DEVELOPED WITH OUR ACCESSIBILITY
19 AND AFFORDABILITY WORKING GROUP, AGAIN, TO DEVELOP A
20 ROAD MAP FOR ACCESS AND AFFORDABILITY, ONE OF OUR
21 FIVE-YEAR STRATEGIC PLANS AS A BASE FOR WHAT'S GOING
22 TO HAPPEN IN THE ENSUING YEARS.

23 AND THAT CONCLUDES THIS PORTION OF THE
24 PRESENTATION. I KNOW I TOOK A LOT OF TIME, BUT I
25 REALLY DO APPRECIATE THE OPPORTUNITY ON BEHALF OF

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1 CIRM TO PROVIDE THAT UPDATE AND ALSO ALWAYS
2 APPRECIATE THE LEVEL OF ENGAGEMENT AND INTEREST BY
3 THIS COMMITTEE REGARDING THE PROGRAMS BEHIND THE
4 NUMBERS. SO THANK YOU SO MUCH. WE'VE ALWAYS FOUND
5 YOUR SUPPORT AND VERY VALUABLE INPUT TO BE SOMETHING
6 THAT HELPS US SHAPE OUR PROGRAMS AND MAKE THEM
7 STRONGER. THANK YOU SO MUCH, CHAIRWOMAN YEE.

8 CONTROLLER YEE: THANK YOU, DR. MILLAN,
9 FOR THE REALLY EXTENSIVE PRESENTATION. I HAVE TO
10 SAY THAT SOME OF THIS JUST TAKES YOUR BREATH AWAY
11 WHEN YOU THINK ABOUT THE VASTNESS AND JUST THE
12 PROMISE OF THE PROGRESS THAT WE ARE SEEING THUS FAR.
13 SO JUST A REALLY WONDERFUL, EXHILARATING
14 PRESENTATION.

15 LET ME TURN TO THE MEMBERS OF THE
16 COMMITTEE TO SEE IF THERE ARE ANY QUESTIONS OR
17 COMMENTS FOR DR. MILLAN. YES. DR. QUICK PLEASE.

18 DR. QUICK: DR. MILLAN, THANK YOU SO MUCH.
19 IT'S JUST TREMENDOUS WORK. I JUST WANTED TO FOLLOW
20 UP SINCE WE'VE BEEN FOCUSING ON THE DISCUSSION OF
21 DIVERSITY, AND I WANT TO FOLLOW UP WITH JIM LOTT'S
22 COMMENT ABOUT GETTING EARLIER. I GUESS MY ONLY
23 ADVICE WOULD BE ON MANY OF THESE KINDS OF THINGS IS,
24 AS YOU ALREADY KNOW, IT'S NOT NECESSARY TO RECREATE
25 THE WHEEL ON A LOT OF THESE THINGS. SO MANY

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1 UNIVERSITIES, USC I KNOW, UCLA, SO MANY THAT I'M
2 AWARE OF HAVE PROGRAMS WHERE WE ARE ALL FIGHTING THE
3 SAME BATTLE. WE ARE ALL TRYING TO GET MORE
4 DIVERSITY, EQUITY, AND INCLUSION, AND WE ARE FINDING
5 THAT WE NEED TO GO NOT ONLY DOWN TO HIGH SCHOOLS,
6 NOT ONLY DOWN TO ELEMENTARY SCHOOLS, BUT AS EARLY AS
7 POSSIBLE. SO UNIVERSITIES, I KNOW, AND I'M SURE
8 MANY OTHER ORGANIZATIONS ACROSS THIS GREAT STATE ARE
9 ALREADY ENGAGED IN THAT ENDEAVOR. AND I JUST
10 ENCOURAGE YOU TO CONSIDER PARTNERING RATHER THAN
11 SORT OF RECREATING FROM SCRATCH ANY DIRECTION THAT
12 YOU GO AROUND DEI BECAUSE I THINK A LOT OF LARGE
13 INSTITUTIONS, BOTH PUBLIC AND PRIVATE, HAVE BEEN
14 REALLY STRUGGLING AND WORKING AT THIS. AND I THINK
15 THERE'S PROBABLY A LOT OF WAYS IN WHICH CIRM CAN
16 LEARN FROM AND BUILD ON WHAT IS ALREADY EXISTING
17 THROUGHOUT THESE NETWORKS THROUGHOUT BOTH ACADEMIA
18 AND PRIVATE CONSIDERATIONS.

19 CONTROLLER YEE: THANK YOU, DR. QUICK.
20 REALLY GREAT POINT. I THINK ALL OF OUR ATTENTION
21 AND FOCUS ON DEI HAS BEEN HEIGHTENED, AND THERE'S A
22 LOT OF WORK BEING DONE IN THIS AREA. SO TO THE
23 EXTENT THAT WE CAN REALLY BE IN A SITUATION WHERE
24 WE'RE NOT SPENDING TIME RECREATING A DISTINCT
25 PROGRAM, I THINK THAT IS REALLY A GREAT APPROACH TO

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1 TAKE.

2 ANY OTHER COMMENTS, MEMBERS? DR.
3 SARKISIAN, PLEASE.

4 MEMBER SARKISIAN: SO THANK YOU FOR AN
5 INSPIRATIONAL, AMAZING PRESENTATION, DR. MILLAN.
6 I'M JUST IN AWE OF WHAT YOU'VE ACCOMPLISHED SO FAR
7 AND LOVE THE FOCUS ON DEI. I'M ALSO REALLY
8 IMPRESSED WITH HOW YOU WERE ABLE TO BE SO EFFICIENT
9 IN THAT WHEN IT'S LIKE THE LAST YEAR OF YOUR FUNDING
10 AND YOU DIDN'T KNOW IF THE NEW PROPOSITION WAS GOING
11 TO GET FUNDED, AND THEN NOW YOU'RE TRYING TO CATCH
12 UP AND RAMP UP. AND SO TWO QUESTIONS.

13 ONE IS I WASN'T SURE ON THE FIGURE TALKING
14 ABOUT THE BENCHMARKS FOR TRYING TO REACH THE GOALS
15 OF PERCENTAGE ENROLLMENT IN TRIALS IF YOU'RE AIMING
16 FOR CALIFORNIA OR THE STATE -- I'M
17 SORRY -- CALIFORNIA OR THE NATION. RIGHT. SO FOR
18 ASIANS, FOR EXAMPLE, WE ARE SO DIFFERENT FROM THE
19 REST OF THE NATION, AND AFRICAN-AMERICANS ALSO, BUT
20 LESS SO, BUT THE ASIAN IS SO DRAMATIC, AND IS OUR
21 GOAL THE STATE OR THE NATION?

22 AND THEN THE SECOND QUESTION IS IT MAY BE
23 TOO EARLY TO TELL, BUT IS IT POSSIBLE TO PROJECT HOW
24 LONG YOU THINK IT WILL TAKE TO SPEND THE REST OF THE
25 FUNDING?

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DR. MILLAN: SHOULD I ANSWER?

CONTROLLER YEE: PLEASE, YES.

DR. MILLAN: THANK YOU SO MUCH, DR.

SARKISIAN. A COUPLE OF THINGS. IN TERMS OF WHAT WE NEED -- SO WHEN LAUNCHING THE DEI PROGRAM, WE NEEDED TO BE MINDFUL OF PROP 209 AND WANTED TO MAKE SURE THAT WE ARE COMPLIANT WITH THAT. SO THE VERY BUSY SLIDE I SHOWED IN TERMS OF THE CRITERIA AND WHAT THE APPLICANTS ARE ASKED FOR IS HAVE SOME DETAIL TO IT. SO, FOR INSTANCE, FOR ENROLLMENT, THEY'RE ASKED, OKAY, FOR THIS DISEASE INDICATION, THE PROPOSED DISEASE INDICATION, WHAT IS THE DEMOGRAPHICS OF WHO'S AFFECTED WITH THIS DISORDER? AND SO WHAT IS YOUR PROPOSED TARGET? AND HOW DOES THIS LOOK IN TERMS OF WHERE YOUR CLINICAL SITES ARE GOING TO BE? AND SO WHAT'S A REALISTIC TARGET? AND THOSE ARE TARGETS, RIGHT, IN A GOOD WAY TARGETS. THOSE ARE GOALS.

AND THEN WHAT WILL YOU DO, THEY'RE BEING ASKED, WHAT TYPE OF OUTREACH, WHAT TYPE OF EFFORTS AND NEW PROGRAMS THAT YOU WILL EMBED INTO THIS IN ORDER TO IMPROVE THE PROBABILITY OF YOU BEING ABLE TO GET THE REPRESENTATION THAT YOU'RE SEEKING? SO THAT IS ASKED AT THAT VERY PER PROJECT BASE.

FOR CIRM, IN TERMS OF THE IMPACT, WE WILL

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1 BE CONTINUING TO COLLECT DATA ACROSS THESE DIFFERENT
2 ELEMENTS SO THAT WE CAN DO AN ANALYSIS ACCORDING TO
3 THE BROAD ANALYSIS, ACCORDING TO PER DISEASE
4 INDICATION, PER LOOKING AT THE DIFFERENT THINGS SO
5 THAT WE CAN BE BETTER INFORMED OF WHERE THERE ARE
6 AREAS THAT WE CAN ENCOURAGE OR PROPOSE EVEN BETTER
7 APPROACHES TO GETTING REPRESENTATION WHERE THERE'S
8 STILL A GAP BECAUSE WE ARE NOT PERMITTED TO REALLY
9 ASK SPECIFICALLY TO TAKE THAT INTO ACCOUNT FOR OUR
10 HIRING OR FUNDING PURPOSES PER SE.

11 SO IT'S THE TYPE OF THING THAT WE REALLY
12 WANT TO MAKE SURE THAT WE INCREASE THE QUALITY OF
13 THE SCIENCE THROUGH INCREASING APPROPRIATE
14 REPRESENTATION OF THE GROUPS THAT WOULD BE AFFECTED
15 BY A GIVEN DISEASE OR CONDITION. I HOPE THAT THAT'S
16 NOT TOO MUCH.

17 MEMBER SARKISIAN: NO. IT'S GREAT. ONE
18 OF MY OTHER HATS IS I'M THE CO-DIRECTOR OF OUR
19 CLINICAL AND TRANSLATIONAL RESEARCH INSTITUTE AT
20 UCLA FOR SPECIAL POPULATIONS. AND SO I KNOW, AS DR.
21 QUICK MENTIONED, EVERYBODY IS REALLY TRYING TO WORK
22 ON THIS. BUT IF YOU HAVEN'T SEEN IT, I TRIED TO
23 SEND IT IN THE CHAT, BUT I GUESS WE DON'T DO THAT IN
24 THIS FORUM. THE NATIONAL ACADEMIES JUST FINISHED A
25 BIG PROJECT REPORT ON HOW TO INCREASE ENROLLMENT OF

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1 UNDERREPRESENTED AND MINORITIES IN CLINICAL TRIALS.

2 SO YOU PROBABLY ALL READ THAT.

3 DR. MILLAN: THANK YOU SO MUCH. WE REALLY
4 APPRECIATE THAT. AND, AGAIN, TO DR. QUICK'S
5 COMMENT, VERY IMPORTANT COMMENT, WE DEFINITELY DON'T
6 WANT TO REINVENT THE WHEEL. THE WHOLE -- WHAT WE
7 WORK INTO THE FUNDING OPPORTUNITIES ARE WE ARE
8 FUNDING THOSE WHO ARE ALREADY DOING THIS. WE ARE
9 JUST TRYING TO PARTNER THEM TO DO MORE OR TO FUND
10 THEM SO THAT THEY'RE ABLE TO DO MORE IN THAT AREA OR
11 TO PROMOTE PARTNERSHIPS TO INCREASE THE MOMENTUM
12 BEHIND DIFFERENT DIRECTIONS IN THIS AREA. SO THAT
13 IS DEFINITELY THE WAY THAT CIRM SEEKS TO MAKE THE
14 MOST OF THE FUNDING IS TO LEVERAGE WHAT CALIFORNIA
15 ALREADY -- THE CALIFORNIA INSTITUTIONS, CALIFORNIA
16 COMMUNITY ALREADY HAS TO OFFER AND JUST CREATING
17 PATHWAYS AND FUNDING FOR THAT.

18 CONTROLLER YEE: THANK YOU SO MUCH, DR.
19 SARKISIAN.

20 MEMBER SARKISIAN: THANK YOU.

21 CONTROLLER YEE: AND DR. MILLAN. ANY
22 OTHER QUESTIONS OR COMMENTS FOR DR. MILLAN? OKAY.
23 THANK YOU VERY MUCH FOR THE PRESENTATION. IT'S SO
24 EXTENSIVE AND THRILLED TO RECEIVE THE UPDATES, AND I
25 THINK THIS PROVIDES A WONDERFUL CONTEXT FOR THE

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1 FINANCIAL DISCUSSION COMING UP. SO THANK YOU SO
2 MUCH.

3 DR. MILLAN: THANK YOU VERY MUCH. I'D
4 LIKE TO NOW INTRODUCE MY COLLEAGUE POUNEH SIMPSON,
5 SENIOR DIRECTOR OF FINANCE, FOR THE FINANCIAL AND
6 BUDGET PRESENTATION. THANK YOU, MS. CHAIRWOMAN.

7 CONTROLLER YEE: THANK YOU. GOOD MORNING,
8 MS. SIMPSON.

9 MS. BONNEVILLE: POUNEH, YOU'RE ON MUTE.

10 MS. SIMPSON: GOOD MORNING, MADAM
11 CONTROLLER AND COMMITTEE MEMBERS. THANK YOU FOR
12 HAVING ME TODAY. I WILL SHARE MY SLIDES AND GIVE
13 YOU AN UPDATE ON OUR FINANCIAL STATUS. WE START
14 WITH OUR MISSION AGAIN. WE ARE VERY PROUD OF OUR
15 MISSION, ACCELERATING WORLD-CLASS SCIENCE TO DELIVER
16 TRANSFORMATIVE REGENERATIVE MEDICINE TREATMENTS IN
17 AN EQUITABLE MANNER TO A DIVERSE CALIFORNIA AND
18 WORLD. SO I'LL KIND OF UPDATE YOU ON FOUR DIFFERENT
19 AREAS WHERE WE MEET THAT MISSION, STARTING WITH THE
20 2019 PERFORMANCE AUDIT. I WILL GIVE YOU A QUICK
21 UPDATE ON OUR RESULTS OF THE FISCAL YEAR 21/22
22 BUDGET AND WHERE WE'RE AT IN THE FISCAL YEAR 22/23
23 BUDGET. AND FINALLY I'LL TALK ABOUT THE FINANCIAL
24 AUDIT THAT WAS JUST COMPLETED FOR FISCAL YEAR 20/21.
25 SO TO GET STARTED WITH THE PERFORMANCE

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1 AUDIT, I WANTED TO GIVE YOU GUYS AN OVERALL UPDATE
2 OF WHAT THIS AUDIT WAS. SO WE'RE AUDITED EVERY
3 THREE YEARS BY STATUE, AND THE AUDIT LOOKS AT
4 ECONOMY, EFFICIENCY, AND EFFECTIVENESS OF HOW CIRM
5 IS USING ITS RESOURCES.

6 AT THE TIME THAT THE AUDIT WAS PERFORMED
7 ON THE 2019/2020 FISCAL YEAR, THAT WAS THE YEAR
8 WHERE WE WERE WINDING DOWN. WE WEREN'T SURE IF THE
9 NEW PROPOSITION WOULD PASS. SO WE WERE LOOKING AT
10 SHUTTING CIRM DOWN. AND THE AUDIT WAS CONDUCTED BY
11 MOSS ADAMS. IT WAS COMPLETED IN OCTOBER OF '21, AND
12 IT HAD NINE RECOMMENDATIONS THAT I WANT TO GO OVER
13 WITH YOU.

14 THREE OF THE RECOMMENDATIONS HAD TO DO
15 WITH THE AREA OF COMPLIANCE. AND THE FIRST ONE HAD
16 TO DO WITH MAKING IMPROVEMENTS IN GRANTS MANAGEMENT.
17 SOME OF THE RECOMMENDATIONS WE WERE ABLE TO
18 IMPLEMENT RIGHT AWAY. ONE OF THE RECOMMENDATIONS
19 HAS TO DO WITH THE OVERALL IMPROVEMENT OF OUR
20 TECHNOLOGY. AND SO I'LL TALK ABOUT THAT PORTION IN
21 A LITTLE BIT.

22 FOR RECOMMENDATION NO. 2, THEY RECOMMENDED
23 THAT WE REINFORCE THE REQUIREMENTS OF OUR STANDARD
24 OPERATING PROCEDURES, WHICH WE DID.

25 FOR NO. 3, THEY RECOMMENDED WE IMPLEMENT

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1 SOME CONTROLS. THIS HAD SPECIFICALLY TO DO WITH
2 DISCLOSURE REQUIREMENTS THAT OUR GRANTEES HAVE TO
3 PROVIDE. NO PARTICULAR EXCEPTION WAS FOUND IN THIS
4 CASE, BUT THEY WERE RECOMMENDING THAT WE COULD
5 PERFORM SOME REVIEWS, WHICH WE HAVE PUT INTO MOTION
6 NOW.

7 THE NINE RECOMMENDATIONS RELATED TO
8 EFFICIENCY AND EFFECTIVENESS. THE FIRST HAD TO DO
9 WITH CONDUCTING A SUCCESSION PLAN. SO, AGAIN, AS
10 YOU'VE MENTIONED, OUR VICE PRESIDENT OF PUBLIC
11 OUTREACH AND BOARD GOVERNANCE WAS APPOINTED TO BE
12 THE VICE CHAIR STARTING IN JANUARY. AND IT'S PART
13 OF THAT CONTINUITY THAT WE ARE ABLE TO PUT IN PLACE.
14 AND IN ADDITION TO THAT, WE ARE COMPILING DATA FOR
15 THE NEW CHAIR AND VICE CHAIR SO THAT WE CAN ONBOARD
16 THEM WHEN THEY COME IN IN JANUARY.

17 WITH REGARDS TO RECOMMENDATION NO. 5, WE
18 HAVE TAKEN STEPS TO ENGAGE THE ICOC BOARD MEMBERS IN
19 TWO DIFFERENT WAYS. ONE, AS A RESULT OF COVID, WE
20 ARE HOLDING OUR MEETINGS VIA ZOOM. THIS ENABLED
21 MORE PARTICIPATION. SO WE WERE ABLE TO ENGAGE MORE
22 BOARD MEMBERS THAT WAY. AND THE SECOND IS THAT
23 WE'VE IMPLEMENTED MORE REVIEWS AT THE SUBCOMMITTEE
24 LEVEL. SO WE ARE TAKING DECISIONS THAT WE WOULD
25 HAVE TAKEN DIRECTLY TO THE BOARD TO SUBCOMMITTEES TO

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1 ENABLE THEM TO WEIGH IN, AGAIN, INCREASING
2 PARTICIPATION.

3 WITH REGARDS TO RECOMMENDATION NO. 6,
4 DEVELOPING POLICIES TO MONITOR ENFORCED COMPLIANCE
5 OF PUBLICATION DISCLOSURES, THIS ONE WE HAVE DONE IN
6 TWO DIFFERENT WAYS. WE HAVE CREATED A POLICY
7 TO -- AN SOP TO REACH OUT TO GRANTEES. AND THERE IS
8 A PORTION IN GMS WHERE GRANTEES CAN ENTER IN THE
9 REPORTS THAT THEY ARE GENERATING. BUT THE SECOND
10 PORTION OF THIS HAS TO DO WITH IMPLEMENTING AS CIRM
11 INFRASTRUCTURE FOR OUR TECHNOLOGY, WHICH, AGAIN, IS
12 SOMETHING THAT'S UNDER WAY AND I WILL TALK ABOUT IN
13 JUST A FEW MINUTES.

14 FOR QUESTION NO. 7, SEEKING MORE DIVERSE
15 MEMBERS OF THE SCIENTIFIC COMMUNITY. THIS ONE WAS
16 ALREADY DISCUSSED A LITTLE. BUT IN THIS CASE CIRM
17 IS INTERESTED IN EXPANDING ETHNIC, RACIAL, AND
18 GENDER DIVERSITY IN OUR GWG. THE GWG, THE GRANTS
19 WORKING GROUP, ARE COMPRISED MEMBERS WHO LIVE
20 OUTSIDE OF CALIFORNIA. AND WE'VE BEEN PARTNERING,
21 AS DR. MILLAN SAID, WITH SCIENTIFIC ORGANIZATIONS TO
22 IDENTIFY NEW SCIENTIFIC EXPERTS IN THESE AREAS THAT
23 WE CAN BRING ON BOARD FOR OUR GRANTS WORKING GROUP.

24 SO FAR WE'VE BEEN ABLE TO RECRUIT FIVE NEW
25 GRANT WORKING GROUP MEMBERS, AND WE DO HAVE THAT

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1 EXTERNAL CONSULTANT THAT DR. MILLAN MENTIONED THAT'S
2 GOING TO HELP US WITH REGARDS TO REPORTING.

3 SO THE LAST ONE HAD TO DO WITH TECHNOLOGY
4 AGAIN. SO THIS IS WHERE I WANT TO STOP AND GIVE YOU
5 AN OVERARCHING UPDATE ON WHERE THINGS ARE AT. WE
6 HAVE CREATED A RECORDS RETENTION SCHEDULE AND
7 SUBMITTED IT, BUT THAT KIND OF TIES INTO DOCUMENT
8 MANAGEMENT, WHICH IS RECOMMENDATION NO. 8 AND 9.

9 SO HERE I WANT TO GIVE YOU AN UPDATE. WE
10 HAVE AN I.T. ROAD MAP IN PLACE, AND WE ARE ENGAGING
11 IN A FULL-SCALE PROCESS TO IDENTIFY CIRM'S
12 TECHNOLOGY NEEDS.

13 WE WILL BE LOOKING AT SYSTEM INTEGRATION
14 WITH GMS, WHICH HAS TO DO WITH RECOMMENDATION NO.
15 10, AND HOW WE CAN EITHER IMPROVE GMS OR INTEGRATE
16 IT MORE WITH THE SYSTEMS WE ARE USING.

17 AND FINALLY, WITH RECOMMENDATION NO. 11,
18 CONSIDERING AS CIRM TO COLLECT BETTER DATA, HERE WE
19 ARE LOOKING -- WITH THIS ROAD MAP, WE ARE LOOKING TO
20 ENHANCE AND INVEST IN A PORTFOLIO AND BUSINESS
21 INTELLIGENCE PROGRAM THAT WILL BRING AND INTEGRATE
22 ALL OF OUR DIFFERENT SYSTEMS TOGETHER, ENABLING US
23 TO ANALYZE DATA MORE.

24 THAT CONCLUDES THE RECOMMENDATIONS THAT
25 THEY MADE AND OUR UPDATE ON WHAT WE'VE DONE WITH

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1 THEM. I'M GOING TO CONTINUE ON, IF IT'S OKAY, WITH
2 AN UPDATE ON OUR PRIOR FISCAL YEAR'S RESULTS AND
3 DISCUSSION.

4 CONTROLLER YEE: MS. SIMPSON, LET ME JUST
5 PAUSE HERE TO SEE IF ANY QUESTIONS THAT -- COMMITTEE
6 MEMBERS HAVE ANY QUESTIONS ON THE PERFORMANCE AUDIT
7 ITSELF. REALLY APPRECIATE YOU RUNNING THROUGH THE
8 FINDINGS AND THE RESPONSES TO THEM. OKAY. PLEASE
9 PROCEED.

10 MS. SIMPSON: SO FOR FISCAL YEAR 21/22, I
11 WANTED TO AGAIN GIVE YOU AN OVERVIEW OF THE KIND OF
12 YEAR WE WERE HAVING. IT WAS THE FIRST YEAR, THE
13 FIRST FULL YEAR OF CIRM AFTER RELAUNCH. SO WE HAD A
14 STRATEGIC PLAN THAT WE WERE ABLE TO LAUNCH IN
15 DECEMBER OF '21, AND WE WERE RAMPING UP. AND THAT
16 INCLUDED INCREASING STAFFING LEVELS DUE TO THE
17 INCREASED WORKLOAD, INCREASING THE NUMBER OF REVIEWS
18 BASED ON THE RAMP-UP, AND US CLOSING OUR
19 HEADQUARTERS IN OAKLAND AND LOOKING FOR A NEW
20 LOCATION AND MOVING TO A NEW LOCATION. AND THE
21 PANDEMIC CONTINUED TO IMPACT OUR ABILITY TO MEET IN
22 PERSON AND TRAVEL.

23 SO WITH THAT CONTEXT IN MIND, I WANT TO
24 JUST GIVE YOU AN UPDATE OF WHERE WE WERE AT
25 FINANCIALLY.

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1 SO THE FIRST COLUMN HERE REPRESENTS THE
2 DIFFERENT CATEGORIES OF EXPENDITURES. AND THE
3 SECOND COLUMN IS THE REQUESTED BUDGET THAT THE ICOC
4 APPROVED. AND YOU SEE THAT THEY APPROVED \$22.9
5 MILLION BASED ON THIS AGGRESSIVE RAMP-UP THAT WE
6 WERE PLANNING. THE THIRD COLUMN IS THE ACTUAL
7 EXPENDITURES, WHICH IS \$18.9 MILLION, A VARIANCE OF
8 ABOUT \$4 MILLION. SO I WANT TO TALK ABOUT THE THREE
9 AREAS WHERE THAT VARIANCE WAS THE GREATEST BETWEEN
10 WHAT WE ASKED FOR AND WHAT WE ACTUALLY SPENT.

11 SO SPECIFICALLY WITH REGARDS TO EMPLOYEE
12 EXPENSE, WE WERE UNDER BUDGET BY \$3.3 MILLION DUE TO
13 DELAYS IN FILLING POSITIONS AND A STRATEGIC DECISION
14 NOT TO FILL THREE SPECIFIC POSITIONS.

15 WITH REVIEWS, MEETINGS, AND WORKSHOPS, WE
16 WERE UNDER BUDGET BY \$194,000 MAINLY BECAUSE WE HELD
17 THE REVIEWS REMOTELY AND AT LESSER COST.

18 FINALLY, IN TERMS OF OFFICE EXPENSES, WE
19 WERE UNDER BUDGET BY \$147,000 BECAUSE THE ACTUAL
20 MOVE COSTS WERE LOWER THAN BUDGETED LAST FISCAL YEAR
21 BECAUSE THE MOVE GOT PUSHED TO THIS FISCAL YEAR. SO
22 WE'LL SEE SOME OF THOSE EXPENSES SHOWING UP THIS
23 FISCAL YEAR INSTEAD.

24 SO THAT'S BASICALLY THE SUMMARY OF THE
25 FISCAL YEAR 21/22, AND I'D LIKE TO CONTINUE WITH

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1 22/23.

2 CONTROLLER YEE: PLEASE. I DON'T SEE ANY
3 HANDS UP OR ANY QUESTIONS, SO PLEASE PROCEED.

4 MS. SIMPSON: NO PROBLEM. SO I'M JUST
5 GOING TO PUT UP THE TWO COLUMNS THAT I SHOWED YOU
6 ALREADY, THE WHAT WE ASKED FOR IN 21/22 AND WHAT WE
7 ACTUALLY SPENT. AND THEN IN THE FOURTH COLUMN I'VE
8 ADDED WHAT THE ICOC APPROVED FOR THIS FISCAL YEAR.
9 SO YOU SEE THAT WE'VE REQUESTED \$26.2 MILLION WHICH
10 WAS APPROVED. THE VARIANCE BETWEEN WHAT WE HAVE
11 REQUESTED AND WHAT WE ACTUALLY SPENT LAST YEAR IS
12 ABOUT \$7.2 MILLION. AND I WANT TO TALK ABOUT WHAT
13 THAT VARIANCE IS RELATED TO.

14 SO THERE WAS ABOUT \$4 MILLION SAVINGS LAST
15 YEAR WHICH IS MATERIALIZING THIS YEAR, PLUS WE HAD
16 SOME EMPLOYEE EXPENSES, REQUESTING TO BUDGET TEN NEW
17 POSITIONS ON BASED ON PROGRAMMATIC NEEDS, INCREASING
18 PATIENT ADVOCATE BOARD MEMBER PER DIEM, WHICH IS
19 REQUIRED BY LAW, INCREASING IN-STATE MANDATED
20 BENEFITS AND RETIREMENT ADJUSTMENTS AND MERIT SALARY
21 INCREASES, WHICH ARE REQUIRED. AND THEN EXTERNAL
22 SERVICES, WE'VE PLANNED FOR SOME CONSULTANTS FOR
23 PROGRAM DEVELOPMENT AND CONTINGENT LEGAL CONTRACTS
24 WHICH SHOWED AN INCREASE THERE.

25 FINALLY, WITH REGARDS TO REVIEWS,

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1 MEETINGS, AND WORKSHOPS, WE HAD SOME HIGHER COSTS
2 FOR REVIEWS, INCREASE IN BOARD AND SUBCOMMITTEE
3 MEETINGS, AND MORE ADVISORY WORKSHOPS. SOME MORE
4 IN-PERSON MEETINGS DROVE UP THE COST.

5 AND THAT'S THE SUMMARY FOR THE CURRENT
6 YEAR BUDGET. ACTUALLY THERE'S A LITTLE BIT MORE.
7 SOME RISKS THAT WE ARE ALWAYS FACED WITH IS THAT WE
8 TRY TO MANAGE OUR COSTS, BUT WE DID HAVE THE OFFICE
9 MOVE HAPPENING THIS FISCAL YEAR THAT HAD SOME
10 OBVIOUSLY COST TO IT, SOME RECRUITMENT AND PERSONNEL
11 GROWTH THAT'S HAPPENING THIS YEAR, AND THEN THE
12 EFFECTS OF COVID CONTINUED TO IMPACT OUR
13 EXPENDITURES, OUR TRAVEL, AND OUR WORK ACTIVITIES.
14 SO THAT'S IT FOR 22/23. IF THERE'S NO QUESTIONS,
15 I'LL CONTINUE ON TO THE FINANCIAL AUDIT.

16 CONTROLLER YEE: MS. SIMPSON, I HAD ONE
17 QUESTION. AND THAT IS WITH RESPECT TO EMPLOYEE
18 EXPENSES, AND MAYBE IT'S JUST NOT REALLY THE
19 EXPENSE, BUT HAVE YOU SEEN ANY REASON FOR CONCERN OR
20 JUST ANY DIFFERENT APPROACHES WITH RESPECT TO
21 POST-COVID HIRING AS WE'VE SEEN IN OTHER PARTS OF
22 THE ECONOMY IN TERMS OF JUST WORKERS DESIRED
23 APPROACH TO WORK AND JUST THE ABILITY TO RECRUIT THE
24 QUALIFICATIONS THAT YOU'RE LOOKING FOR?

25 MS. SIMPSON: I THINK DR. MILLAN CAN TAKE

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1 THAT ON SINCE SHE'S OVERSEEING HR.

2 CONTROLLER YEE: OKAY. SURE.

3 DR. MILLAN: THANK YOU SO MUCH. CLEARLY
4 WE HAD A 75-PERCENT GROWTH IN OUR PERSONNEL SINCE
5 THE PASSAGE OF PROP 14. BEAR IN MIND THIS
6 RECRUITMENT AND ONBOARDING WAS DONE PRIMARILY
7 REMOTELY. AND I THINK MANY ORGANIZATION HAVE FACED
8 THAT. SO THERE ARE DEFINITELY CHALLENGES WITH THAT
9 IN TERMS OF CREATING THE CONNECTIVITY AND
10 SOME -- YOU LOSE THINGS IN COMMUNICATION STREAMS.
11 THANKFULLY WE WERE ABLE TO CONTINUE TO GET THE WORK
12 DONE, BUT WE ARE NOW -- THE LEADERSHIP TEAM HAS
13 CREATED A VERY STRONG PLAN ON HOW WE ARE REENTERING
14 IN A HYBRID FORMAT THAT BOTH ACKNOWLEDGES THAT SOME
15 OF THE WORK CAN BE DONE, INDEPENDENT WORK REMOTELY,
16 WHICH WAS SOMETHING THAT WE LEARNED THROUGH COVID,
17 BUT ALSO OPTIMIZES DELIBERATE IN-PERSON TIME THAT
18 PROMOTES THE NECESSARY INTERACTIONS AND
19 COLLABORATION.

20 WITH THAT, WE HAVE HAD A REASONABLY GOOD
21 RESPONSE FROM OUR EMPLOYEES, BUT IT STILL REMAINS TO
22 BE SEEN WHAT THE IMPACT IS OF RETURN TO WORK BECAUSE
23 I THINK EVERYBODY IS FACING THAT ADJUSTMENT PERIOD.
24 BUT WHAT WE ARE SEEING, ESPECIALLY THIS YEAR, IS AN
25 INCREASE IN THE ABILITY TO RECRUIT THE QUALIFIED

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1 INDIVIDUALS, CONTINUE TO RECRUIT QUALIFIED
2 INDIVIDUALS FOR THE POSITIONS WE ARE SEEKING.
3 THERE'S A LOT OF EXCITEMENT ABOUT JOINING CIRM.
4 MOST OF THE PEOPLE THAT WE RECRUIT, JUST FROM
5 VARIOUS SPECIALTIES AND BACKGROUNDS, ARE JUST
6 EXCITED ABOUT THE MISSION AND DOING MEANINGFUL WORK
7 AND JUST -- SO REALLY THAT'S THE INCENTIVE TO THOSE
8 THAT ARE BEING RECRUITED INTO PROGRAMS. WE'LL SEE
9 WHAT HAPPENS. SO FAR WE ARE DOING WELL VERSUS WHAT
10 WE BUDGETED FOR THIS YEAR.

11 LAST YEAR WAS A TIME OF TRANSITION STILL
12 IN TERMS OF LAUNCHING THE STRATEGIC PLAN,
13 REORGANIZING IN SOME WAYS INTERNALLY, FIGURING OUT
14 WHAT OUR NEEDS WERE. SO I THINK THAT THE VARIANCE
15 WAS REFLECTIVE OF THAT. IT WASN'T SO MUCH THAT WE
16 HAD A DIFFICULT TIME RECRUITING. IT WAS ABOUT
17 TIMING AND WHAT CAPACITY WE HAD TO RECRUIT AND
18 ONBOARD IN THE REMOTE SETTING AS WELL. SO THERE
19 WERE A VARIETY OF FACTORS.

20 AT THIS TIME WE HAVE A VERY GOOD OUTLOOK
21 IN TERMS OF BEING ABLE TO RECRUIT THE QUALIFIED
22 EMPLOYEES AND PERSONNEL THAT WE NEED FOR OUR PROGRAM
23 NEEDS.

24 CONTROLLER YEE: THAT'S GREAT. THAT'S
25 GOOD TO HEAR. THANK YOU. AND HAS YOUR RECRUITMENT

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1 REACHED, EXPANDED BEYOND WHAT IT WAS PRIOR TO THE
2 PANDEMIC? ARE WE RECRUITING LOCALLY? ARE WE
3 RECRUITING NATIONALLY?

4 DR. MILLAN: WE ARE STILL -- THE EMPLOYEES
5 THAT WE ARE HIRING ARE ALL CALIFORNIA RESIDENTS.
6 SOME OF THEM HAVE RELOCATED TO CALIFORNIA IN ORDER
7 TO TAKE THE POSITION.

8 CONTROLLER YEE: OKAY.

9 DR. MILLAN: THEY'RE PRIMARILY CALIFORNIA
10 RESIDENTS.

11 CONTROLLER YEE: THANK YOU.

12 DR. MILLAN: THANK YOU.

13 MS. SIMPSON: SO WITH THE REST OF THE
14 20/21 FINANCIAL AUDIT, I JUST WANT TO START BY
15 SAYING WE HAD NO AUDIT FINDINGS. SO THAT WAS THE
16 GOOD NEWS. AND I WANT TO YOU GUYS KIND OF A LITTLE
17 BIT OF A BACKGROUND ON WHAT THE FISCAL YEAR 20/21
18 WAS.

19 THE FIRST SIX MONTHS OF THE YEAR WE WERE
20 WINDING DOWN. AND AFTER THE PASSAGE OF PROP 14, THE
21 SECOND SIX MONTHS OF THE YEAR WE WERE RELAUNCHING.
22 AND SO THIS WAS THE FIRST FISCAL YEAR WHERE BOTH
23 PROP 71 AND PROP 14 FUNDS WERE BEING SPENT AND
24 TRACKED.

25 SO FIRST PROP 14 GENERAL OBLIGATION BOND

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1 WAS SOLD FOR 180 MILLION, AND CIRM RELAUNCHED AND
2 DEVELOPED A NEW STRATEGIC PLAN IN THIS FISCAL YEAR.
3 SO THAT BASICALLY SUMMARIZES WHERE THINGS WERE WITH
4 THE AUDIT, AND THE AUDITOR DIRECTOR, CRAIG HARNER,
5 FROM MGO IS ON TO GO INTO MORE DETAILS. BUT IN
6 RESPONSE TO A REQUEST YOU HAD LAST YEAR WHEN I MADE
7 A PRESENTATION, YOU WANTED TO KNOW A LITTLE BIT MORE
8 ABOUT PROP 14 EXPENDITURES BY FISCAL YEAR.

9 CONTROLLER YEE: YES.

10 MS. SIMPSON: BECAUSE WE HAVE TWO YEARS OF
11 ACTUAL EXPENDITURE NOW, I CREATED THIS CHART AND
12 ADDED IT PER YOUR REQUEST AND CAN SHARE WITH YOU
13 THAT WE STILL HAD A LOT OF PROP 71 TO SPEND DOWN
14 DURING THE FIRST TWO FISCAL YEARS THAT WE ALSO HAD
15 PROP 14. SO YOU SEE A VERY SMALL AMOUNT OF MONEY
16 WAS SPENT BOTH IN TERMS OF ADMINISTRATION AND
17 RESEARCH GRANTS.

18 SO WITH RESEARCH GRANTS, IT'S IMPORTANT TO
19 NOTE THAT WHEN GRANTS ARE AWARDED, GRANTEES GO INTO
20 A CONTRACT WHICH IS A MULTIYEAR CONTRACT. AND AS
21 THEY MEET THEIR MILESTONES, PORTIONS OF THEIR GRANT
22 ARE PAID OUT TO THEM. SO WHAT YOU'RE SEEING HERE IN
23 FISCAL YEAR 20/21 AND 21/22 ARE THE FIRST TWO YEARS
24 OF SOME OF THOSE GRANTS BEING PAID OUT, NOT THAT WE
25 ONLY AWARDED THIS MUCH. WE AWARDED A MUCH LARGER

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1 AMOUNT.

2 SO WITH REGARDS TO FISCAL YEAR 22/23, THIS
3 IS A LITTLE BIT OF A DIFFERENT SCENARIO HERE BECAUSE
4 WE ARE CURRENTLY IN THIS FISCAL YEAR. SO IT'S HARD
5 TO SAY HOW MUCH PROP 14 WE WILL SPEND VERSUS HOW
6 MUCH PROP 71 WE'LL HAVE TO SPEND DOWN.

7 JUST WANTED TO POINT OUT TO YOU THAT
8 CIRM'S ADMINISTRATIVE EXPENDITURES ARE CAPPED BY
9 PROP 14 AT 7.5 PERCENT. AND THE TOTAL ANNUAL BUDGET
10 APPROVED BY THE ICOC FOR GRANT AWARDS WILL BE
11 CONTRACTED AND PAID OUT OVER THREE TO FIVE YEARS.
12 SO THE AMOUNT IN THE BLUE WE ARE SHOWING HERE IS
13 WHAT WE ESTIMATE WE MIGHT SPEND THIS YEAR; BUT,
14 AGAIN, THAT DEPENDS ON EACH GRANTEE'S TIMELINE, HOW
15 THEY'RE ABLE TO MEET MILESTONES, HOW COVID IS
16 IMPACTING THEIR RESEARCH. SO THIS IS JUST A
17 PROJECTION OF WHAT WE MIGHT SPEND THIS YEAR.

18 AND SO WITH THAT, I THINK I ADDRESSED THE
19 QUESTION YOU HAD LAST YEAR IN TERMS OF WHERE WE ARE
20 WITH PROP 14, AND I'M DONE WITH MY PRESENTATION AND
21 WOULD LIKE TO INTRODUCE DIRECTOR CRAIG HARNER.

22 CONTROLLER YEE: ALL RIGHT. THANK YOU
23 VERY MUCH, MS. SIMPSON. APPRECIATE THE
24 PRESENTATION, AND THANK YOU FOR BEING RESPONSIVE TO
25 OUR REQUEST FROM LAST YEAR AS WE LOOKED AT JUST THE

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1 EXPENDITURES OF PROP 14 FUNDS TO DATE.

2 ANY QUESTIONS OR COMMENTS FROM COMMITTEE
3 MEMBERS BEFORE WE PROCEED? GREAT. THANK YOU.

4 SO THIS IS -- OUR NEXT ORDER OF BUSINESS
5 IS TO REVIEW THE INDEPENDENT FINANCIAL AUDIT, AND
6 I'M GLAD TO WELCOME CRAIG HARNER WHO IS HERE FROM
7 MACIAS, GINI & O'CONNELL, MGO, TO PRESENT THE
8 FINANCIAL AUDIT REPORT AND ALSO THE FINDINGS FROM
9 THAT REPORT. MR. HARNER, THANK YOU FOR BEING HERE.

10 MR. HARNER: YES. THANK YOU FOR HAVING
11 ME. AND MEMBERS OF THE CFAOC AND MADAM CONTROLLER,
12 THANK YOU AGAIN FOR ALLOWING US TO PRESENT RESULTS
13 OF OUR AUDIT. I'M GOING TO GO AHEAD AND SHARE MY
14 SCREEN. CAN EVERYBODY SEE THE SLIDES?

15 CONTROLLER YEE: YES.

16 MR. HARNER: I CAN'T TELL ON MY SCREEN.
17 SORRY ABOUT THAT. ALL RIGHT. AGAIN, FOR THE
18 RECORD, MY NAME IS CRAIG HARNER. I'M THE DIRECTOR
19 AT MGO AND RESPONSIBLE FOR THE AUDIT OF CIRM AND
20 HERE TO PRESENT THE RESULTS OF OUR FISCAL YEAR
21 2020/2021 AUDIT.

22 SO I HAVE A QUICK LITTLE AGENDA. I'LL GO
23 THROUGH THE SCOPE OF SERVICES AND OUR DELIVERABLES,
24 OUR RESPONSIBILITIES AS THE INDEPENDENT AUDITOR, THE
25 RESULTS OF THE AUDIT, AND THEN BRIEFLY ON WHAT WE

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1 CALL REQUIRED COMMUNICATIONS.

2 SO AS THE EXTERNAL INDEPENDENT FINANCIAL
3 STATEMENT AUDITOR SCOPE OF SERVICES, WE WERE ENGAGED
4 TO PERFORM AN AUDIT OF WHAT ARE CALLED THE BASIC
5 FINANCIAL STATEMENTS. AND THIS INCLUDES WHAT WE
6 CALL THE GOVERNMENTAL ACTIVITIES OF CIRM AND THEN
7 STEM CELL FUND.

8 AS PART OF OUR AUDIT, WE ISSUE THREE
9 REPORTS, TWO OF WHICH ARE INCLUDED IN THE FINANCIAL
10 STATEMENTS AND THE FINANCIAL STATEMENT REPORT THAT'S
11 IN THE PACKET TODAY. THAT'S OUR INDEPENDENT
12 AUDITORS REPORT, OUR OPINION ON THE FINANCIAL
13 STATEMENTS. AND THEN AT THE END OF THE REPORT,
14 THERE'S A TWO-PAGE ADDITIONAL REPORT THAT WE ISSUE
15 WHEN WE PERFORM AUDITS IN ACCORDANCE WITH GOVERNMENT
16 AUDITING STANDARDS. SO THIS REPORT IS ON INTERNAL
17 CONTROLS AND ON COMPLIANCE.

18 THE SECOND REPORT THAT WE ISSUE GOES TO
19 THE INDEPENDENT CITIZENS OVERSIGHT COMMITTEE OR THE
20 ICOC AND CIRM, AND THIS IS OUR REQUIRED
21 COMMUNICATIONS (UNINTELLIGIBLE). CERTAIN THINGS
22 THAT WE ARE REQUIRED TO DISCLOSE WILL BE PUBLIC AND
23 (UNINTELLIGIBLE). KIND OF HOW THE AUDIT WENT, IF WE
24 HAD ANY DIFFICULTIES.

25 OUR RESPONSIBILITIES AS THE INDEPENDENT

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1 AUDITOR, OUR MAIN RESPONSIBILITY IS TO EXPRESS AN
2 OPINION AS TO THE FAIR PRESENTATION OF THE FINANCIAL
3 STATEMENTS IN ALL MATERIAL RESPECTS AND IN
4 CONFORMITY WITH THE ACCOUNTING PRINCIPLES OF THE
5 UNITED STATES OF AMERICA OR USAP.

6 WE ALSO APPLY CERTAIN LIMITED PROCEDURES
7 TO THE REQUIRED SUPPLEMENTARY INFORMATION THAT IS IN
8 THE FINANCIAL STATEMENTS, AND THIS IS THE
9 MANAGEMENT'S DISCUSSION AND ANALYSIS. SO THIS IS
10 SOMETHING THAT SHOULD BE READ WITH THE FINANCIAL
11 STATEMENTS; HOWEVER, WE DON'T PROVIDE ANY OPINION ON
12 IT, BUT WE (UNINTELLIGIBLE) IN THE FINANCIAL
13 STATEMENT SUBMISSION (UNINTELLIGIBLE).

14 CONTROLLER YEE: MR. HARNER, YOU'RE
15 CUTTING OUT A BIT AS YOU'RE PRESENTING. I WONDERED
16 IF IT'S JUST BECAUSE YOU'RE KIND OF SHIFTING YOUR
17 HEAD BACK AND FORTH.

18 MR. HARNER: YEAH. THAT COULD BE IT. LET
19 ME TRY THIS. SORRY ABOUT THAT.

20 AND THEN OUR LAST RESPONSIBILITY RELATES
21 TO SUPPLEMENTARY INFORMATION THAT ARE INCLUDED IN
22 THE FINANCIAL STATEMENTS. AND THESE ARE THE
23 SCHEDULE OF REVENUES, EXPENDITURES, AND AVAILABLE
24 RESOURCES FOR THE DOLBY GRANT. AND THEN THIS YEAR,
25 AS YOU HEARD POUNEH MENTION, WAS THE FIRST YEAR OF

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1 HAVING BOTH THE PROP 71 AND PROP 14. SO WHAT
2 MANAGEMENT DID UNDER OUR GUIDANCE WAS TO INCLUDE TWO
3 ADDITIONAL SUPPLEMENTARY SCHEDULES THAT BREAK OUT
4 THE DIFFERENT STEM CELL FUNDS SO WE CAN TRACK THE
5 FINANCIAL STATEMENT INFORMATION FOR THE REVENUES,
6 THEIR EXPENDITURES BY EACH OF THE DIFFERENT
7 PROPOSITIONS. SO THIS WILL BE THE FIRST TIME OF
8 THIS SCHEDULE.

9 SO IN THE FINANCIAL STATEMENT REPORT, OUR
10 OPINION COVERS THE STEM CELL FUND IN TOTAL, BUT WE
11 ADDED AN ADDITIONAL OR MANAGEMENT ADDED, WE LOOKED
12 THROUGH ADDITIONAL SCHEDULES IN THE BACK THAT'S
13 CALLED A COMBINING SCHEDULE. AND WHAT THIS DOES IS
14 IT SHOWS FOR THE READERS AND THE USERS THE BALANCES
15 IN THE ACCOUNTS OF THE STEM CELL FUND OF 2004, SO
16 PROP 71, THEN STEM CELL FUND OF 2020, WHICH IS PROP
17 14, AND THEN ALSO THE LICENSING REVENUE AND ROYALTY
18 FUND, AND IT HAS THE TOTAL STEM CELL FUND, WHICH
19 THEN GOES INTO THE FINANCIAL STATEMENTS THAT WE
20 PROVIDE AN OPINION ON. SO HERE WE CAN SEE THE
21 REVENUES, EXPENDITURES OF EACH OF THE DIFFERENT
22 PROPOSITIONS THAT GOVERN CIRM.

23 AND SO WHAT WE DO WITH THOSE SCHEDULES IS
24 WE DON'T PROVIDE WHAT WE CALL FULL ASSURANCE ON
25 THEM, BUT WE GIVE AN IN-RELATION-TO OPINION, MEANING

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1 IN RELATION TO THE FINANCIAL STATEMENTS AS A WHOLE
2 THOSE SCHEDULES ARE FAIRLY STATED.

3 NOW TO GET TO THE RESULTS OF THE AUDIT, WE
4 ISSUED OUR AUDIT REPORT ON OCTOBER 29TH, 2021, AND
5 WE ISSUED AN UNMODIFIED OPINION ON THOSE FINANCIAL
6 STATEMENTS. AN UNMODIFIED OPINION IS THE HIGHEST
7 LEVEL OF ASSURANCE THAT AN INDEPENDENT AUDITOR CAN
8 GIVE AN ORGANIZATION REGARDING THE FAIR PRESENTATION
9 OF THEIR FINANCIAL STATEMENTS.

10 AND THEN LASTLY, IN THE VERY LAST REPORT
11 THAT IS IN THE FINANCIAL STATEMENTS IS THE
12 INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND
13 ON COMPLIANCE AND OTHER MATTERS BASED ON THE AUDIT,
14 WE PERFORM THE FINANCIAL STATEMENT AUDIT ACCORDING
15 TO GOVERNMENT AUDITING STANDARDS. AND SO WHAT THE
16 GOVERNMENT AUDITING STANDARDS REQUIRE IS FOR US TO
17 CONSIDER INTERNAL CONTROL OVER FINANCIAL REPORTING
18 AND THEN COMPLIANCE WITH ANY LAWS, REGULATIONS,
19 GRANT AGREEMENTS, CONTRACTS THAT COULD HAVE A
20 MATERIAL IMPACT ON THE FINANCIAL STATEMENTS
21 THEMSELVES. SO WHILE IT'S IMPORTANT TO NOTE THAT WE
22 DON'T PROVIDE ANY ASSURANCE OVER INTERNAL CONTROLS
23 OR GRANT REPORTING ON THE COMPLIANCE, IF WE HAVE ANY
24 ISSUES OR FINDINGS IN INTERNAL CONTROLS ON
25 COMPLIANCE, WE ARE REQUIRED TO REPORT THAT TO THE

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1 DIFFERENT COMMITTEES IN THIS REPORT HERE. AS POUNEH
2 MENTIONED, THERE WERE NO INTERNAL CONTROL FINDINGS,
3 WE DIDN'T HAVE ANY NONCOMPLIANCE WITH LAWS OR
4 REGULATIONS THAT WOULD IMPACT THE FINANCIAL
5 STATEMENTS.

6 AND THEN LASTLY, I'LL JUST KIND OF GO OVER
7 REAL QUICK THE REQUIRED COMMUNICATIONS THAT WE DO
8 PRESENT TO THE ICOC. AND WE GO OVER IN THIS REPORT
9 OUR AUDIT RESPONSIBILITY IN RELATION TO THE
10 FINANCIAL STATEMENTS, PLAN, SCOPE, AND TIMES OF THE
11 AUDITS, THAT WE ASSERT THAT WE HAVE COMPLIED WITH
12 ALL THE ETHICS REQUIREMENTS REGARDING INDEPENDENCE,
13 AND THEN WE GO THROUGH THE SIGNIFICANT ACCOUNTING
14 PRACTICES AND POLICIES, ANY ESTIMATES, AND THEN WE
15 ARE REQUIRED TO REPORT IF WE HAVE ANY DIFFICULTIES
16 OR DISAGREEMENTS WITH MANAGEMENT, WHICH WE ARE HAPPY
17 TO REPORT THAT WE DON'T. AND THEN WE GO OVER ANY
18 CORRECTED OR UNCORRECTED MISSTATEMENTS, WHICH THERE
19 WEREN'T ANY, AND A FEW OTHER REPRESENTATIONS THAT
20 ARE REQUIREMENTS. AGAIN, OUR PROFESSIONAL STANDARDS
21 REQUIRE US TO DELIVER OR REPORT TO THOSE CHARGED
22 WITH GOVERNANCE.

23 AND WITH THAT, THAT CONCLUDES MY
24 PRESENTATION ON THE 20/21 FINANCIAL STATEMENTS, AND
25 I'M HAPPY TO ANSWER ANY QUESTIONS.

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1 CONTROLLER YEE: THANK YOU VERY MUCH, MR.
2 HARNER. LET ME SEE IF THERE ARE ANY QUESTIONS BY
3 THE COMMITTEE MEMBERS. YES, DR. QUICK PLEASE.

4 MEMBER QUICK: THANK YOU, CONTROLLER YEE.

5 MR. HARNER, I NEED HELP WITH MY MEMORY.
6 COULD YOU REFRESH MY MEMORY ABOUT IN THE AUDIT
7 REPORT THERE'S REFERENCE TO A RESEARCH LOAN TO CIRM
8 IN 2010 FOR \$20 MILLION. COULD YOU EXPLAIN THAT OR
9 SOMEBODY ELSE AT CIRM EXPLAIN THAT LOAN TO ME?

10 MR. HARNER: SURE. YEAH. SO THAT LOAN
11 ISN'T ACTUALLY TO CIRM. IT WAS BY CIRM TO AN
12 OUTSIDE ENTITY, VIACYTE, I BELIEVE, IN THE AMOUNT OF
13 \$22 MILLION. AND THAT HAS BEEN -- ACTUALLY AS
14 OF -- WHEN WE COME BACK TO THE REPORT TO THE CFAOC
15 FOR NEXT YEAR FOR 2022'S AUDIT, WE'LL REPORT THAT
16 THAT ACTUALLY GOT PAID IN FULL IN SEPTEMBER OR
17 OCTOBER 2022.

18 MEMBER QUICK: OKAY.

19 CONTROLLER YEE: THANK YOU, DR. QUICK.
20 THANK YOU, MR. HARNER.

21 OTHER QUESTIONS OR COMMENTS? GREAT.
22 THANK YOU.

23 SO AS IS THE PRACTICE, I'LL NOW CALL ON
24 KIM TARVIN WHO IS THE AUDIT DIVISION CHIEF FOR THE
25 STATE CONTROLLER'S OFFICE TO PRESENT OUR OFFICE'S

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1 QUALITY CONTROL REVIEW OF THE MGO FINANCIAL AUDIT.

2 SO, KIM, YOU WANT TO PROVIDE SOME REMARKS ABOUT THE
3 REVIEW THAT YOU AND YOUR TEAM DID.

4 MS. TARVIN: ABSOLUTELY. THANK YOU, MADAM
5 CONTROLLER. AND IT'S GREAT TO SEE ALL THE BOARD
6 MEMBERS HERE.

7 SO, YES, AS PART OF THE HEALTH AND SAFETY
8 CODE THAT REQUIRES A FINANCIAL AUDIT EVERY YEAR, THE
9 SECOND PART OF THAT IS A QUALITY CONTROL REVIEW
10 THAT'S DONE BY THE SCO DIVISION OF AUDITS EACH YEAR.
11 AND WHAT THAT IS IS REALLY GOING INTO THE DETAIL OF
12 THE WORK THAT'S DONE BY MGO AND LOOKING AT THEIR
13 DOCUMENTATION, EVIDENCE, AND COMPARING THAT TO
14 ENSURE THAT ALL OF THE REQUIREMENTS UNDER THE
15 PROFESSIONAL AUDITING STANDARDS ARE MET, WHICH HELPS
16 THE PUBLIC ASSESS THE RELIABILITY OF THE AUDIT
17 REPORTS, SO IN THIS CASE THE ANNUAL FINANCIAL AUDIT
18 REPORT.

19 SO THE RESULTS OF THAT REVIEW, I'M HAPPY
20 TO SHARE THAT WE CONCLUDED THAT MGO COMPLIED WITH
21 THE THREE SETS OF PROFESSIONAL STANDARDS THAT APPLY,
22 WHICH WOULD BE THE GOVERNMENT AUDITING STANDARDS,
23 ALSO KNOWN AS GENERALLY ACCEPTED GOVERNMENT AUDITING
24 STANDARDS, AND THEN IN ADDITION TO THOSE, THERE'S
25 ANOTHER SET OF PROFESSIONAL STANDARDS CALLED THE

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1 AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED
2 STATES OF AMERICA. AND THEN, THIRDLY, THERE IS THE
3 CALIFORNIA BOARD OF ACCOUNTANCY REGULATIONS TOO
4 PROFESSIONS CODE. SO GREAT NEWS. HAPPY TO HAVE
5 THAT CONCLUSION SIMILAR TO PRIOR YEARS. SO THANK
6 YOU VERY MUCH FOR US BEING ABLE TO SHARE THE STATUS
7 OF THAT REVIEW.

8 CONTROLLER YEE: THANK YOU, KIM, VERY MUCH
9 FOR PRESENTING OUR QUALITY CONTROL REVIEW BY THE
10 STATE CONTROLLER'S OFFICE.

11 ANY QUESTIONS OR COMMENTS AT THIS POINT ON
12 THE DIFFERENT LEVELS OF REVIEW? OKAY. SEEING NONE,
13 THANK YOU BOTH VERY MUCH FOR YOUR PRESENTATION.

14 OKAY. WE WILL NOW MOVE ON TO ITEM NO. 8,
15 WHICH I BELIEVE WE DID COVER IN MS. SIMPSON'S
16 PRESENTATION. ARE THERE ANY FURTHER UPDATES OR
17 COMMENTS ABOUT THE CIRM PERFORMANCE AUDIT AT THIS
18 TIME OR QUESTIONS? OKAY.

19 SEEING NONE, WE NOW WILL MOVE TO ITEM NO.
20 9, WHICH IS THE OPPORTUNITY FOR PUBLIC COMMENT. LET
21 ME JUST TURN TO MY TEAM TO SEE IF THERE ARE ANY
22 MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE
23 COMMITTEE.

24 MS. O'DONOGHUE: HI, CONTROLLER YEE. I DO
25 NOT SEE ANY QUESTIONS IN CHAT. BUT IF THERE ARE

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1 FOLKS FROM THE PUBLIC WHO WOULD LIKE TO MAKE
2 COMMENT, PLEASE RAISE YOUR HAND OR YOU CAN ALSO
3 UNMUTE YOURSELF. OKAY. THERE DOES NOT APPEAR TO BE
4 ANY PUBLIC COMMENT, CONTROLLER YEE.

5 CONTROLLER YEE: OKAY. THANK YOU VERY
6 MUCH, DEBBIE.

7 NOW WE'LL MOVE ON TO ITEM NO. 10. THIS IS
8 COMMENTS FROM MEMBERS OF THE COMMITTEE. THIS IS OUR
9 TIME. ANY MEMBERS OF THE COMMITTEE WISH TO HAVE THE
10 FLOOR? MR. LOTT, YES. THANK YOU.

11 MEMBER LOTT: I JUST WANTED TO SAY, MADAM
12 CHAIR, IT'S BEEN A PLEASURE WORKING WITH YOU.
13 YOU'VE BEEN A STELLAR LEADER FOR US OVER YOUR
14 EIGHT-YEAR TERM. AND I KNEW YOU BEFORE, I KNEW YOU
15 DURING THIS, AND I HOPE TO KNOW YOU AFTER IT. I
16 HOPE TO SEE YOU RUN FOR OFFICE AGAIN. I KNOW THIS
17 ISN'T A POLITICAL FORUM, SO I'M JUST TELLING YOU
18 WHAT I FEEL. AND SO I WANT TO THANK YOU FOR YOUR
19 STELLAR LEADERSHIP AGAIN AND WISH YOU WELL IN ALL
20 YOUR ENDEAVORS.

21 CONTROLLER YEE: THANK YOU VERY MUCH, MR.
22 LOTT. YES, I THINK WE DATE BACK 30 PLUS YEARS WHEN
23 I JUST GOT STARTED. APPRECIATE YOUR COMMENTS. AND
24 REALLY IT HAS BEEN A PLEASURE TO SERVE WITH YOU IN
25 THIS CAPACITY.

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1 OTHER MEMBERS OF THE COMMITTEE? YES, DR.
2 MAA.

3 MEMBER MAA: THANK YOU, CONTROLLER YEE.
4 AS A NEW MEMBER OF THE COMMITTEE, I WAS REALLY
5 IMPRESSED BY THE DEPTH, THE QUALITY OF THE RESEARCH
6 THAT'S BEING DONE. HAVING SERVED IN THE SAN
7 FRANCISCO SUGARY DRINKS TAX ADVISORY COMMITTEE AND
8 IN TOBACCO CONTROL AT THE OFFICE OF THE PRESIDENT,
9 IT'S INTERESTING, SIMILAR STRUCTURE, SLIGHTLY
10 DIFFERENT INTENT WHEN YOU'RE TRYING TO CURB THE
11 CONSUMPTION OF SUGARY DRINKS OR THE USE OF TOBACCO
12 PRODUCTS. SO YOU'RE ACTUALLY TRYING TO PUT YOURSELF
13 OUT OF BUSINESS IN SOME WAY. IF YOU SUCCEED, THEN
14 YOUR REVENUE FOR THE FUTURE WILL DECREASE AS A
15 CONSEQUENCE.

16 SO A QUESTION FOR MS. MILLAN. JUST IT
17 SOUNDS VERY INTERESTING WHAT HAPPENED WITH THE
18 TRANSFORMATION OF CIRM. AND OVER THE NEXT, IS IT,
19 TEN YEARS, JUST CURIOUS THE LONG-RANGE VISION, IF
20 YOU COULD HELP ME UNDERSTAND IN TERMS OF SUSTAINING
21 THE REVENUE TO SUPPORT CIRM. I'LL FINISH BY SAYING
22 I WAS REALLY PLEASED TO SEE THE SUPPORT IN
23 NEUROSCIENCE AND IN HEART DISEASE AND HEART FAILURE
24 IN PARTICULAR. FULL DISCLOSURE, I'M A MEMBER OF THE
25 WESTERN STATES AFFILIATE BOARD OF DIRECTORS OF THE

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1 AMERICAN HEART ASSOCIATION. AND I DO KNOW THAT YOU
2 HAVE A HEART REPRESENTATIVE ON YOUR OVERSIGHT -- ON
3 YOUR LARGER COMMITTEE. AND WISH TO OFFER THAT THERE
4 MIGHT BE OPPORTUNITIES TO WORK WITH THE AMERICAN
5 CANCER SOCIETY AND HEART ASSOCIATION WITH THEIR
6 GOVERNMENTAL RELATIONS TEAMS IN PARTICULAR TO TRY TO
7 EXTEND YOUR IMPORTANT EFFORTS. THANK YOU.

8 CONTROLLER YEE: THANK YOU, DR. MAA. DR.
9 MILLAN, ANY RESPONSE?

10 DR. MILLAN: THANK YOU, DR. MAA. AND
11 WELCOME. IT'S REALLY GREAT TO HAVE YOU HERE ON THIS
12 COMMITTEE.

13 SO IN TERMS OF THE LONG-RANGE VISION, WE
14 LAUNCHED OUR FIVE-YEAR STRATEGIC PLAN TO KIND OF
15 CREATE THE PLATFORM FOR THE LONG-RANGE VISION. THE
16 ACCESS AND AFFORDABILITY PIECE IS GOING TO BE A
17 MAJOR EFFORT IN TERMS OF THE LONG-RANGE VISION OF
18 HOW PROGRAMS IN THIS NEW FIELD OF CELL AND GENE
19 THERAPY ARE GOING TO MAKE THEIR WAY OUT INTO THE
20 COMMUNITIES AND FIND NEW MODELS, PAYMENT MODELS,
21 ACCESS MODELS, HEALTHCARE MODELS TO SUPPORT THE
22 IMPLEMENTATION AND THE ADOPTION. SO THAT'S GOING TO
23 BE A HUGE -- IT'S GOING TO BE IN THE UPCOMING TEN
24 YEARS AND BEYOND, BUT SETTING THAT STRAIGHT.

25 IN TERMS OF SUSTAINABILITY, I WILL DEFER

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1 THAT TO OUR CHAIR, CHAIRMAN THOMAS. THAT IS
2 SOMETHING THAT'S DEFINITELY GOING TO BE UNDER
3 DISCUSSION ALONG WITH THE BOARD. WE VIEW
4 SUSTAINABILITY IN DIFFERENT WAYS. THE PROGRAMS WE
5 FUND, WE BUILD THEM SO THAT THEY THEMSELVES CAN BE
6 SUSTAINABLE WITHIN THE INFRASTRUCTURE THEY'RE
7 PLANTED IN, WHETHER IT BE THE ACADEMIC
8 INFRASTRUCTURE, WHETHER THEY BE WITHIN THE ECONOMIC
9 INFRASTRUCTURE IN TERMS OF BUSINESSES.

10 AND SO IN TERMS OF CIRM'S SUSTAINABILITY,
11 THAT NEEDS TO BE SEEN IN TERMS OF WHAT HAPPENS. WE
12 HAVE BEEN FUNDED UNDER TWO BOND INITIATIVES TO
13 REALLY CONTINUE TO MOVE THIS FIELD VERY FAR. AND WE
14 ARE GETTING AT A POINT WE'RE GOING TO START MOVING
15 THINGS OVER THE FINISH LINE IN TERMS OF THINGS THAT
16 USED TO BE DREAMS THAT THESE THERAPIES COULD BE
17 APPROVED AND THEN MADE AVAILABLE. AND THEN BEYOND
18 THAT IS SOMETHING THAT IS GOING TO REQUIRE US
19 KNOWING WHAT HAPPENS IN THE UPCOMING FIVE AND THEN
20 EIGHT, TEN YEARS. AND I THINK THAT'S SOMETHING
21 THAT'S GOING TO BE THE SUBJECT OF A LOT OF
22 DISCUSSION AT THE BOARD LEVEL.

23 BUT I THINK KIND OF OUR CORE ACTIVITY IS
24 CONTINUING TO PUSH THE SCIENCE, PICKING THE BEST
25 SCIENCE AND MAKING SURE THAT WE CAN CONVERT THAT

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1 INTO BENEFIT FOR PUBLIC HEALTH AND PUBLIC GOOD. SO
2 THAT WILL BE SOMETHING THAT'S A BASELINE. AS LONG
3 AS WE ARE IN EXISTENCE, WE'RE GOING TO PUSH THOSE
4 OBJECTIVES. YES. I DON'T KNOW IF CHAIRMAN THOMAS
5 HAS ANY COMMENTS ON THAT QUESTION.

6 CHAIRMAN THOMAS: SURE. SO THANK YOU. SO
7 THE FIRST POINT I WANT TO MAKE IS IT'S UNCLEAR AS WE
8 SIT HERE TODAY HOW LONG THE NEW 5.5 BILLION WILL
9 LAST. FOR THE RECORD, CIRM ACTUALLY STARTED
10 DEPLOYING FUNDS FROM THE 2004 MEASURE FOLLOWING
11 LITIGATION IN 2006. AND IT TOOK 14 YEARS TO
12 BASICALLY EXHAUST THE 3 BILLION THAT WAS PART OF
13 PROP 71. SO NOW THAT WE HAVE AN ADDITIONAL FIVE AND
14 A HALF, QUERY HOW LONG THAT WILL LAST. THE NUMBER
15 OF TEN YEARS WAS PUT OUT THERE. I DON'T THINK
16 THAT'S, IN MY PERSONAL OPINION, A REALISTIC NUMBER.
17 I THINK IT WILL GO A NUMBER OF YEARS BEYOND THAT,
18 COULD EASILY GET TO 15 OR WHATEVER. THAT WILL
19 LARGELY DEPEND ON, OF COURSE, THE PROGRAMS THAT ARE
20 FUNDED, THE EXPENSE ATTACHED TO EACH OF THOSE
21 PROGRAMS AS THE FIELD MATURES, AND A LARGE NUMBER OF
22 GRANTS GO TO CLINICAL TRIALS OR MORE EXPENSIVE
23 PROJECTS AS WELL AS, OF COURSE, THE FIELD WILL BE
24 SUBJECT TO DRAMATIC CHANGE OVER THAT TIME AS WELL
25 THAT WILL LEAD TO ADDITIONAL OPPORTUNITY AND

1 EXPENSE.
2 FOR EXAMPLE, SINCE 2004, AT THAT POINT THE
3 NOTION OF INDUCED PLURIPOTENT STEM CELLS HAD YET TO
4 BE INTRODUCED. LIKEWISE, CRISPR AND GENE EDITING A
5 FEW YEARS AFTER THAT. THERE WILL BE NEW MAJOR
6 DEVELOPMENTS THAT SPAWN DIFFERENT PROGRAMS AT CIRM
7 THAT WILL ENTAIL ADDITIONAL EXPENSE, ET CETERA. SO
8 IT'S VERY UNCLEAR AS WE SIT HERE TODAY, VERY
9 DIFFICULT TO PREDICT HOW LONG THAT MONEY WILL LAST.
10 AND I DO THINK IT IS, IN TERMS OF SUSTAINABILITY,
11 THAT IS A BIG QUESTION. IT'S ONE WE GRAPPLED WITH
12 OVER THE YEARS. THE PROVISIONS OF PROP 14 NOW SAY
13 THAT ROYALTIES THAT ATTACH TO GRANTS THAT WE'VE PUT
14 OUT ARE GOING TO GO INTO THE PATIENT ASSISTANCE FUND
15 TO HELP AID THE PROCESS OF ACCESSIBILITY AND
16 AFFORDABILITY, WHICH, AS DR. MILLAN POINTED OUT, THE
17 NEW AND EXTREMELY IMPORTANT COMPONENT OF PROP 14.
18 AND SO WE'VE TOSSED AROUND A BUNCH OF IDEAS AS TO
19 HOW TO GENERATE ADDITIONAL FUNDS FOR THE AGENCY
20 ITSELF THAT ULTIMATELY GOT PREEMPTED BY THE PASSAGE
21 OF PROP 14. THERE WILL BE LOTS OF DISCUSSION DOWN
22 THE ROAD. I THINK THAT'S LIKELY TO BE 12 TO 17
23 YEARS FROM NOW WHEN THE MONEY STARTS TO RUN OUT IN
24 THIS CURRENT ITERATION. SO THAT IS GOING TO BE
25 SOMETHING THAT WILL BE A TOPIC FOR SURE AT THAT

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1 POINT, BUT NOT RIGHT FOR MANY, MANY YEARS AT THIS
2 POINT.

3 CONTROLLER YEE: THANK YOU, CHAIRMAN
4 THOMAS. THANK YOU, DR. MAA, FOR YOUR QUESTION.

5 AS I'M HEARING THE RESPONSE FROM BOTH YOU
6 CHAIRMAN THOMAS AND DR. MILLAN, IT JUST MAKES ME
7 THINK ABOUT THE HEIGHTENED IMPORTANCE OF THIS
8 PARTICULAR COMMITTEE WITH RESPECT TO JUST THE
9 ONGOING TRANSPARENCY AND ACCOUNTABILITY THAT WE
10 PROVIDE RELATIVE TO CIRM'S ACTIVITIES, CERTAINLY THE
11 UTILIZATION OF THE BOND FUNDING. IT IS, AS YOU SAY,
12 DR. MAA, IT'S A DIFFERENT ORIENTATION IN TERMS OF
13 JUST OUR OVERSIGHT ROLE AS COMPARED TO WHAT WE ARE
14 USED TO, BUT IT IS ALSO I THINK A FAIRLY UNKNOWN
15 FIELD AND DISCIPLINE FOR MANY PEOPLE STILL OF
16 MEMBERS OF THE PUBLIC. SO I THINK JUST OUR ABILITY
17 TO PROVIDE THAT OVERSIGHT JUST BECOMES MORE
18 IMPORTANT WITH PROP 14 GOING FORWARD. SO APPRECIATE
19 THE QUESTION VERY MUCH.

20 ANY OTHER COMMENTS FROM THE COMMITTEE
21 MEMBERS? OKAY. SEEING NONE, LET ME JUST SAY TO ALL
22 OF YOU, DR. MILLAN, THANK YOU SO MUCH AND
23 MS. SIMPSON FOR THE PRESENTATIONS TODAY. CHAIR
24 THOMAS, IT HAS BEEN REALLY AN HONOR AND A PLEASURE
25 TO WORK WITH YOU OVER THE LAST EIGHT YEARS AND TO

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1 JUST SEE THE TREMENDOUS PROGRESS THAT'S BEEN MADE.
2 I FEEL LIKE THIS HAS JUST BECOME THIS TOUR DEFORCE
3 EVERY TIME WE COME TOGETHER FOR THIS COMMITTEE TO
4 SEE THE ONGOING PROGRESS IN SO MANY FIELDS.

5 SO, MS. BONNEVILLE, CONGRATULATIONS. WE
6 LOOK FORWARD TO YOUR CONTINUED LEADERSHIP WITH CIRM
7 AND CERTAINLY THE CONTINUITY THAT YOU'LL BE
8 PROVIDING AS WE TRANSITION ON SO MANY FRONTS.

9 AND TO MY FELLOW COMMITTEE MEMBERS, THANK
10 YOU FOR THE COMMITMENT OF TIME FOR THIS IMPORTANT
11 OVERSIGHT ROLE. IT REALLY HAS BEEN MY PLEASURE TO
12 WORK WITH ALL OF YOU AND JUST DEEPLY GRATEFUL FOR
13 THE ATTENTION AND THE FOCUS THAT YOU'VE BROUGHT TO
14 THIS IMPORTANT FUNCTION. SO REALLY APPRECIATE THAT
15 VERY, VERY MUCH.

16 AND SEEING NO OTHER COMMENTS, I BELIEVE WE
17 CAN ADJOURN. SO THANK YOU ALL SO MUCH.

18 (THE MEETING WAS THEN CONCLUDED AT
19 10:58 A.M.)

20
21
22
23
24
25

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 CITIZENS FINANCIAL ACCOUNTABILITY OVERSIGHT COMMITTEE IN THE MATTER OF ITS REGULAR MEETING HELD ON NOVEMBER 9, 2022, 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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