

SOMETHING BETTER THAN HOPE

ICOC Meeting:

President's Report- Update on Transition Plan and Budget



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Transition Plan

- Transition Plan presented to the Board on Nov. 27, 2017
- Operating Assumptions:
 - Execute on 5-year Strategic Plan approved by the ICOC on December 2015
 - Critical personnel level required to execute on the Strategic Plan while maintaining operational excellence
 - Essential to preserve CIRM's value proposition to increase the probability of and the speed by which stem cell treatments can reach patients
- **Transition Plan Update – June 2020**

Progress on 2016-2020 Strategic Plan



DISCOVER

46* of target 50
NEW CANDIDATES

**48 if COVID awards approved for funding*



ADVANCE

72 progressing
THROUGH
DEVELOPMENT
100% increase

REFINE REGULATORY

6 RMATs
Under
21st Century Cures



SHORTEN TIME TO CLINICAL TESTING

72% CLIN1
achieved IND in 2
years

55% achieved IND
in <18 months



EXPAND

46 of target 50
NEW TRIALS
(63 Total Trials
>2000 Enrolled)

**47 if COVID award approved*



INCREASE INDUSTRY PULL

59% partnered
63 events
\$8.74 B Industry investment
(of total \$10.3 B leverage)

Operations Update:

CIRM team has continued to be productive during the Final Year of the Strategic Plan

- actively working to achieve or exceed 5-year strategic plan goals
- managing impact of COVID-19 crisis on active awards
- 12 new projects approved in 2020
- 174 awards valued at \$854M under current management
- Special COVID Funding Opportunity launched with recurring 2-wk review cycles
- BRIDGES and Alpha Clinics Symposia will be virtual events; Grantee Meeting in planning stage

Launched COVID Special Funding

-> 70 Applications Received with 11 Awards (2 Clinical)

Sickle Cell Program – 5 Clinical programs and projected 3 new CLIN2 apps expected Q3 and Q4 2020

Strategic Concept development in progress

Research Budget Update

- COVID-19 Program: \$2,022,352*
- Sickle Cell Program: \$25,757,195
- Progression Award for Discovery Stage Projects: \$1,196,428
- 2020 Grantee Meeting: \$250,000
- **Unallocated Recovered Funds: \$19,294,293**

**COVID-19 Budget will be \$922,356 if slate of GWG-recommended projects awarded by ICOC today*

Scenarios for Unallocated Research Funds

	Scenario A	Scenario B	Scenario C
Programs:	CLIN2: Current and future unallocated research funds allocated to Clinical Trial Awards	DISC 2: Allocate \$2M CLIN2: Remainder of current and all of future unallocated research funds	Any combination of DISC2, TRAN1 CLIN1, CLIN2. *Assumes upfront allocation for each program and re-visit with future recovered funds
Award Frequency & Operational: <i>* Last App. deadline on or before Oct 2020.</i>	Rolling, 2 month cycle Allow Tier 2 resubmissions Can be combined with Sickle Cell	For CLIN2 , same as Scenario A Single Review for DISC2 (ETA Q3 2020)	Rolling Review for CLIN Single Review DISC/TRAN
Concept Changes: <i>* Not applicable to Sickle Cell programs</i>	CLIN2 to 3 yr. awards. Reduced budget (75% of previous budget according to Phase and non-profit or for-profit applicant)	CLIN2: see Scenario A DISC 2 award 1 yr. and \$250K total	CLIN2: See Scenario A DISC 2: See Scenario B CLIN1: \$3M nonprofit/\$2M for profit TRAN1: \$2M over 2 yrs.
<i>Estimated # projects fundable with current \$19.3M "unallocated funds"</i>	2-3 CLIN2 Trials	2 CLIN2 Trials 8 DISC2	1 CLIN2 Trial 1 CLIN1 2 Tran 9 DISC2

Request for Board Action:

The CIRM team is requesting that ICOC allocate recovered and unallocated Research Funds according to one of the proposed scenarios or an alternate scenario

Transition Plan: Operational Budget for Wind Down Scenario

Wind down if no 2020 Bond



Bring Revised Budget Proposal if a 2020 Bond

FY	17/18	18/19	19/20	20/21	21/22	22/23	Q3-Q4 2023
Nov. 2017 Transition Plan “Little Bucket” Projection	\$14.4M	\$14.1M	\$13.8M	\$9.5M	\$5M	\$4M	\$2.7M
Nov 2017 Transition Plan Operations Budget Projection (“Little Bucket” + legal from “Big Bucket”)	\$17.3M	\$17.1M	\$15.8M	\$11.1M	\$6M	\$4.8M	\$3.4M
Updated Transition Plan Operations Budget	\$15.1M	\$14.5M	\$13.8M	\$12.3M*	\$6.8M	\$5.8M	\$4.0M

Wind-Down Plan

Phase 1: Nov 2020-June 2021

Finalize Operations Plan for “closeout” team & complete delegation/transfer :

- *Management & Finance Plan*
- *IP/Revenue Sharing Management and Protocol*
- *State Hand-off: immediate and residual financial and future obligations (IP/revenue sharing/loan repayment)*
- *Management plan for active projects*
- *Audits*
- *Public Communication channel for scientific/clinical programs*
- *Resolve existing contracts and MOUs*

Portfolio Hand-Off to “closeout” team

IT system backups, retention, security, inventory, server and equipment management

Facilities scale down management and HR closeouts, state benefits, CalHR requirements

Phase 2: July 2021- December 2023

Manage remaining Awards

Execute on Operations Plan

Finalize Agency Closure