

BETH C. DRAIN, CA CSR NO. 7152

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

LOCATION: VIA ZOOM

DATE: JANUARY 8, 2024
1 P.M.

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

FILE NO.: 2024-01

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I N D E X

ITEM DESCRIPTION	PAGE NO.
OPEN SESSION	
1. CALL TO ORDER	3
2. ROLL CALL	3
3. DISCUSSION OF PERFORMANCE AUDIT	4
4. PUBLIC COMMENT	NONE
5. ADJOURNMENT	32

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JANUARY 8, 2024; 2 P.M.

CHAIRPERSON GASSON: THANK YOU. WELCOME TO THE STAFF AND MEMBERS OF THE GOVERNANCE SUBCOMMITTEE. THIS IS AN OPEN MEETING, SO ALSO WANT TO WELCOME THE PUBLIC, ANY OF THE PUBLIC WHO MAY BE ATTENDING. WE HAVE ONE AGENDA ITEM TODAY, WHICH IS THE PERFORMANCE AUDIT WHICH IS REQUIRED EVERY THREE YEARS. AND IT'S BEEN CONDUCTED BY MOSS-ADAMS, AND WE'RE GOING TO BE HEARING FROM TAMMY AND COLLEEN.

BUT FIRST, COULD YOU CALL THE ROLL PLEASE.

MS. MANDAC: KIM BARRETT.

DR. BARRETT: PRESENT.

MS. MANDAC: DAN BERNAL.

MR. BERNAL: PRESENT.

MS. MANDAC: GEORGE BLUMENTHAL. MARIA BONNEVILLE.

VICE CHAIR BONNEVILLE: PRESENT.

MS. MANDAC: JOYCE SACKY.

DR. SACKY: PRESENT.

MS. MANDAC: ANNE-MARIE DULIEGE.

DR. DULIEGE: PRESENT.

MS. MANDAC: ELENA FLOWERS. JUDY GASSON.

CHAIRPERSON GASSON: HERE.

MS. MANDAC: VITO IMBASCIANI.

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1 CHAIRMAN IMBASCIANI: HERE.

2 MS. MANDAC: STEVE JUELSGAARD.

3 MR. JUELSGAARD: PRESENT.

4 MS. MANDAC: PAT LEVITT.

5 DR. LEVITT: HERE.

6 MS. MANDAC: AND WE HAVE QUORUM.

7 CHAIRPERSON GASSON: OKAY. I THINK WE ARE
8 READY TO BEGIN THE PRESENTATION FROM MOSS-ADAMS.

9 MS. ROZILLIS: ALL RIGHT. I WILL GET
10 STARTED. TAMMY IS GOING TO JOIN US IN JUST A LITTLE
11 BIT. HI, EVERYONE. I'M COLLEEN ROZILLIS. I'M A
12 PARTNER WITH MOSS-ADAMS. I HAVE HAD THE PRIVILEGE
13 OF WORKING WITH YOU ALL FOR QUITE A FEW PERFORMANCE
14 AUDITS OVER THE LAST SEVERAL YEARS, AND I WAS THE
15 ENGAGEMENT PARTNER FOR THIS PERFORMANCE AUDIT. AND
16 WE CONDUCT THIS PERFORMANCE AUDIT AS REQUIRED BY
17 YOUR ENABLING BOND MEASURE EVERY THREE YEARS.

18 THE PURPOSE OF THE AUDIT IS TO LOOK AT, I
19 WOULD SAY, KIND OF TWO MAJOR THINGS. DID WE DO WHAT
20 WE SAID WE WOULD WITH PUBLIC FUNDS? SO WE'RE
21 THINKING ABOUT ALL OF THE WAYS THAT WE EXPEND
22 DOLLARS, WHAT THE MEASURE REQUIRES US TO DO IN TERMS
23 OF GRANTS, LOANS, INTELLECTUAL PROPERTY, LEGALITIES,
24 ALL SORTS OF FUN THINGS RELATED TO COMPLIANCE. AND
25 THEN WE LOOK AT YOUR INTERNAL CONTROLS. WE LOOK AT

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1 YOUR POLICIES AND PROCEDURES, AND WE TEST THOSE TO
2 MAKE SURE THAT YOU ARE DOING THINGS IN ACCORDANCE
3 WITH BEST PRACTICE. AND THEN, FINALLY, WHAT I THINK
4 IS THE FUN PART OF A PERFORMANCE AUDIT, WE LOOK AT
5 EVERYTHING ELSE. UNDER GOVERNMENT AUDITING
6 STANDARDS, WE LOOK AT ECONOMY, EFFICIENCY, AND
7 EFFECTIVENESS OF GOVERNANCE, OF MANAGEMENT, OF
8 OPERATIONS BECAUSE ULTIMATELY WE ARE ACCOUNTABLE TO
9 THE PUBLIC. AND WE WANT TO BE ABLE TO SAY WE ARE
10 DOING THINGS AS EFFICIENTLY AND EFFECTIVELY AS
11 POSSIBLE. OUR ORGANIZATIONAL AND OPERATIONAL
12 EFFECTIVENESS DIRECTLY LEADS TO US BETTER SERVING
13 CIRM'S MISSION.

14 SO THIS PERFORMANCE AUDIT HAD THOSE THREE
15 MAJOR AREAS OF FOCUS: COMPLIANCE, CONTROLS,
16 EFFICIENCY, AND EFFECTIVENESS. AND TO PERFORM THIS
17 WE HAVE A PRESCRIBED METHODOLOGY THAT IS PART OF
18 GOVERNMENT AUDITING STANDARDS. SO WE CONDUCTED
19 INTERVIEWS WITH ESSENTIALLY EVERYONE IN MANAGEMENT
20 ACROSS CIRM AS WELL AS SOME FOLKS WHO ARE IN REALLY
21 IMPORTANT ROLES, THINGS LIKE GRANTS AND LEGAL, THAT
22 WANTED TO MAKE SURE THAT WE REALLY UNDERSTOOD
23 PROCESSES. WE ALSO INTERVIEWED QUITE A WIDE
24 CROSS-SECTION OF THE BOARD, INCLUDING ALL OF THE
25 COMMITTEE CHAIRS, FOLKS WHO HAD BEEN ON THE ICOC FOR

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1 A LONG TIME, FOLKS WHO WERE BRAND-NEW TO GET A SENSE
2 OF HOW GOVERNANCE OPERATED AND IF YOU HAD THE
3 INFORMATION YOU NEEDED TO BE ABLE TO MAKE STRONG
4 DECISIONS.

5 WE REVIEWED TONS AND TONS OF DOCUMENTS
6 LIKE POLICIES AND PROCEDURES, REGULAR REPORTS, OTHER
7 MATERIALS SO THAT WE COULD UNDERSTAND HOW YOU
8 OPERATED. AND THEN WE LOOKED AT PROCESS
9 WALK-THROUGHS WITH CIRM STAFF FOR SYSTEMS FOR ALL OF
10 YOUR CORE FUNCTIONS TO SEE HOW THOSE OPERATED AND
11 MAKE SURE WE COULD COMPARE THEM WITH BEST PRACTICE.

12 WE ALSO SAMPLED AND TESTED 25 GRANTS, 20
13 GRANT APPLICATIONS AND REVIEWS, AND 35 CONTRACTS SO
14 THAT WE COULD LOOK AT COMPLIANCE WITH POLICIES AND
15 PROCEDURES, THE INTEGRITY OF YOUR CORE FUNCTIONS,
16 ALIGNMENT WITH AWARDS WITH PROPOSITION 14
17 PROVISIONS, WITH FEDERAL AND STATE REQUIREMENTS, THE
18 WHOLE SHEBANG.

19 SO FIRST, I'M GOING TO GIVE YOU A COUPLE
20 OF COMMENDATIONS. I THINK FIRST AND FOREMOST, WHICH
21 WE'LL COVER A LITTLE BIT LATER AND ACTUALLY I DIDN'T
22 PUT ON THIS SLIDE. I JUST WANT TO SAY YOU DIDN'T
23 HAVE ANY COMPLIANCE FINDINGS IN THIS PERFORMANCE
24 AUDIT. THAT'S REALLY GREAT BECAUSE A LOT OF DOLLARS
25 COME IN AND OUT OF CIRM EVERY YEAR, AND YOU HAD NO

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1 CHALLENGES IN TERMS OF COMPLIANCE WITH ANY OF THE
2 REGULATIONS IN PROPOSITION 14 OR ANY OTHER STATE OR
3 FEDERAL REGULATIONS AROUND HOW YOU DO YOUR WORK. SO
4 I THINK THAT'S A REALLY GREAT TAKEAWAY FOR YOU ALL,
5 THAT STAFF IS DOING WHAT THEY NEED TO DO WITH
6 RESPECT TO COMPLIANCE.

7 WE ALSO NOTED THAT YOU'VE GOT SOME REALLY
8 RESILIENT EMPLOYEES, AND YOU HAVE SO MANY FOLKS WHO
9 STICK AROUND BECAUSE OF THE MISSION OF CIRM AND DO
10 AN INCREDIBLE JOB EVERY DAY TO HELP TO DELIVER ON
11 CIRM'S MISSION. WE WORK WITH GOVERNMENT EMPLOYEES
12 ALMOST EXCLUSIVELY. AND SO WE GET TO SEE FOLKS KIND
13 OF AT DIFFERENT LEVELS OF MISSION ENGAGEMENT. AND
14 YOU ABSOLUTELY ARE IN THAT TOP 10 PERCENT THERE,
15 WHICH IS FANTASTIC.

16 OVER THE PAST THREE YEARS, CIRM HAS REALLY
17 INVESTED IN PROJECT MANAGEMENT AND OPERATIONS
18 MANAGEMENT IN ORDER TO ACTUALLY DELIVER ON THE
19 MISSION MORE EFFECTIVELY, AND WE NOTICED THAT
20 COMPARED TO THREE YEARS AGO. WE ALSO NOTICED A REAL
21 ENHANCEMENT IN THOSE GRANTS MANAGEMENT PRACTICES
22 WHICH LED TO NO COMPLIANCE FINDINGS.

23 RECENTLY CIRM RESTRUCTURED INTERNAL
24 SERVICES TO HAVE GREATER ALIGNMENT AND FOCUS ON
25 INTERNAL SERVICES. SO WHEN I SAY THAT, I'M THINKING

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1 ABOUT SORT OF HR, LEGAL, FINANCE, I.T. MUCH BETTER
2 ALIGNMENT THERE. THAT'S REALLY THE ENGINE THAT
3 DRIVES ANY ENTITY. AND SO HAVING AN EFFECTIVE
4 ENGINE HELPS US TO SERVE THE AGENCY MORE EFFECTIVELY
5 AND HELPS US TO ULTIMATELY DELIVER ON THE MISSION
6 MORE EFFECTIVELY.

7 THE AGENCY'S NEW EMPHASIS ON DEI HAS ALSO
8 BEEN REALLY NOTED, AND IT'S SOMETHING THAT STAFF HAS
9 DEDICATED A LOT OF TIME TO. A LOT OF POLICIES AND
10 PROCEDURES HAVE BEEN IDENTIFIED, REALLY ENHANCED
11 PRACTICES, NOT JUST BECAUSE OF ACCESS AND
12 AFFORDABILITY AS REQUIRED BY THE PROPOSITION, BUT
13 ALSO, IN ADDITION TO THAT, JUST REALLY THINKING
14 ABOUT HOW DO WE DO OUR WORK AND CAN WE DO IT IN A
15 MORE EQUITABLE MANNER.

16 AND THEN WE'VE NOTICED THAT THERE HAS BEEN
17 ALSO SOME INVESTMENT PARTICULARLY AROUND THE
18 ADOPTION OF A SYSTEM CALLED ADAPTIVE PLANNING THAT
19 HELPS US TO MAKE MORE DATA-DRIVEN DECISIONS AND
20 BETTER OPERATIONAL REPORTING TO MANAGEMENT AND
21 ULTIMATELY TO YOU ALL. THAT PAYS HUGE DIVIDENDS,
22 AND SO WE'RE VERY IMPRESSED BY THE ADDITION OF THAT.

23 SO NOW WE'LL GET TO OUR FINDINGS. WE HAVE
24 13 FINDINGS, AGAIN, NO COMPLIANCE FINDINGS, AND
25 STRONG GRANTS MANAGEMENT PRACTICES. THERE ARE

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1 THEMES KIND OF OVERALL. SO YOUR TEAM IS REALLY
2 DEDICATED, YOUR TEAM IS RESILIENT, YOUR TEAM HAS
3 ROLLED WITH A LOT OF PUNCHES, ESPECIALLY WHEN WE
4 THINK ABOUT KIND OF THE LAST FIVE YEARS, WHETHER OR
5 NOT CIRM WAS GOING TO CONTINUE, ROLLING THROUGH THE
6 PANDEMIC, FIGURING OUT HOW TO OPERATE AND KIND OF
7 EXPAND OPERATIONS OVER THE LAST SEVERAL YEARS.
8 THAT'S SOMETHING THAT YOU WILL SEE REFLECTED
9 THROUGHOUT THE PERFORMANCE AUDIT REPORT.

10 ALSO A COUPLE OF RECOMMENDATIONS, I THINK,
11 KIND OF OVERALL THAT WE SAW THROUGHOUT IS THE NEED
12 TO UPDATE POLICIES AND PROCEDURES SO THAT WE CAN
13 MATCH THE CURRENT BUSINESS PROCESSES. ANY
14 ORGANIZATION, POLICIES AND PROCEDURES, YOU KIND OF
15 PUT THAT ON YOUR LIST FOR FRIDAY AFTERNOON. AND
16 THEN IT GETS TO FRIDAY AT FOUR, AND, OOPS, YOU
17 DIDN'T UPDATE THE POLICIES AND NOW IT'S BEEN THREE
18 YEARS. IT'S TIME TO REALLY TAKE A LOOK AT POLICIES
19 AND PROCEDURES AND MAKE SURE THOSE ARE UPDATED,
20 PARTICULARLY AROUND HUMAN RESOURCES. WE WANT TO
21 MAKE SURE THAT WE ARE IN ALIGNMENT WITH CALIFORNIA
22 PUBLIC EMPLOYEE REGULATIONS AS WELL AS STATE
23 EMPLOYMENT LAW. THAT'S VERY IMPORTANT FOR US.

24 AND WE HAVE QUITE A FEW RECOMMENDATIONS
25 AROUND HUMAN RESOURCES. OUR RECOMMENDATION HERE

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1 ULTIMATELY, AND YOU WILL SEE A PRETTY SIGNIFICANT
2 THEME, IS TO MAKE REALLY INTENTIONAL INVESTMENTS TO
3 MATURE THE HUMAN RESOURCES FUNCTION. THAT'S THINGS
4 LIKE THE PEOPLE, HOW WE ARE ORGANIZED, HOW MANY
5 FOLKS WE HAVE DOING THIS WORK, THE PROCESSES THAT
6 HUMAN RESOURCES USES AND THEIR POLICIES, AS WELL AS
7 THE SYSTEMS THAT SUPPORT HUMAN RESOURCES.

8 SO I WILL GET INTO THE FINDINGS AND
9 RECOMMENDATIONS HERE. WE HAVE TWO FINDINGS RELATED
10 TO LEADERSHIP. SO ONE IS INTERNAL AND ONE IS REALLY
11 FOCUSED ON THE ICOC. SO WE NOTICED, AS WE WERE
12 GOING THROUGH OUR WORK, THAT THE CEO HAS 11 DIRECT
13 REPORTS, AND THAT IS A LOT OF DIRECT REPORTS.
14 DURING THE COURSE OF OUR PERFORMANCE AUDIT, WHILE IT
15 WASN'T IN OUR AUDIT PERIOD, YOU ALSO EXPERIENCED CEO
16 TURNOVER. AND WE KNOW YOU'RE DOING A SEARCH FOR THE
17 NEXT CEO.

18 AS YOU'RE SEARCHING FOR THE NEXT CEO,
19 THINK ABOUT ORGANIZATIONAL STRUCTURE OPTIONS THAT
20 REDUCE THE CEO'S DIRECT REPORTS TO A REALISTIC
21 NUMBER. INDUSTRY STANDARD FOR A SCIENTIFIC
22 ORGANIZATION, FOR AN ORGANIZATION AS COMPLEX AS
23 YOURS, IS REALLY MAYBE FOUR TO SIX. WE HAVE SEEN
24 MAYBE UP TO EIGHT DIRECT REPORTS. BUT GIVEN THE
25 HIGHLY EXTERNAL ROLE OF THE CEO OF CIRM, WE REALLY

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1 RECOMMEND FEWER DIRECT REPORTS.

2 AND AS YOU ARE GOING THROUGH THAT SEARCH,
3 I KNOW IT'S GOING TO BE A BIG PART OF THIS
4 COMMITTEE'S WORK, REALLY THINKING ABOUT WHO IS THE
5 PERSON THAT WE END UP CHOOSING, WHAT ARE THEIR
6 STRENGTHS, WHAT ARE THEIR OPPORTUNITIES FOR OTHER
7 FOLKS TO SUPPORT THINGS. SO OFTEN WE SEE ALL
8 INTERNAL SERVICES ARE OPERATED UNDERNEATH MAYBE A
9 DEPUTY OR A CHIEF OF STAFF, OR WE MIGHT SEE KIND OF
10 SCIENTIFIC FUNCTIONS SEPARATED OUT UNDER A CHIEF
11 SCIENCE OFFICER. THOSE ARE ALL ORGANIZATIONAL
12 OPTIONS THAT YOU COULD ASSESS AS YOU'RE GOING
13 THROUGH THAT PROCESS. THIS IS REALLY GOOD TIMING TO
14 DO THAT BECAUSE YOU'RE NOT NECESSARILY GOING TO MOVE
15 ANYBODY'S CHEESE IF YOU'VE GOT AN INTERIM PERSON.

16 AND THEN THE SECOND FINDING IS ONE THAT
17 WE'VE ACTUALLY HAD QUITE A FEW OF OUR PERFORMANCE
18 AUDITS, I THINK THE LAST THREE, HAVE HAD SOME
19 RECOMMENDATIONS AROUND THIS. YOU, I'M SURE, ARE
20 VERY AWARE, YOU HAVE A VERY LARGE BOARD. THIS IS
21 UNUSUALLY LARGE. YOUR STATEWIDE, IT'S VERY COMPLEX,
22 AND THE MEETINGS ARE HYBRID. AND I ALWAYS SAY,
23 LIKE, THERE'S NOTHING WORSE THAN A VIRTUAL MEETING
24 THAN A HYBRID MEETING. IT CAN JUST BE REALLY
25 CHALLENGING TO RUN MEETINGS IN AN EFFECTIVE WAY AND

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1 FEEL LIKE PEOPLE ARE ALL FULLY ENGAGED.

2 WHILE WE DID NOT NECESSARILY HEAR FROM
3 BOARD MEMBERS THAT FOLKS WERE DISENGAGED OR THAT
4 MEETING ATTENDANCE WAS LOW OR ANYTHING LIKE THAT,
5 THIS HAS TO BE TOP OF MIND, PARTICULARLY FOR THE
6 CHAIR AND VICE CHAIR AND THE GOVERNANCE COMMITTEE,
7 TO REALLY THINK ABOUT ARE WE BEING AS INTENTIONAL AS
8 POSSIBLE IN MAKING SURE FOLKS CAN PARTICIPATE FULLY
9 AND ARE FULLY ENGAGED.

10 OVER THE LAST SEVERAL YEARS, YOU'VE HAD
11 SOME VERY LONG TENURED BOARD MEMBERS WHO HAVE TERM
12 LIMITED OUT OF THE BOARD, AND YOU WILL HAVE A NUMBER
13 OF FOLKS, INCLUDING FOLKS ON THIS COMMITTEE, WHO ARE
14 GOING TO DO THAT IN THE FUTURE. AND SO MAKING SURE
15 THAT WE HOLD ONTO THAT KNOWLEDGE, MAKING SURE THAT
16 WE GET REALLY GOOD PARTICIPATION FROM FOLKS WHO DO
17 REPLACE THOSE LONG-SERVING MEMBERS, IT'S VERY
18 IMPORTANT TO THE FUNCTION OF THE BOARD. SO THINKING
19 ABOUT HOW WE CAN CONTINUE TO LOOK AT COMMITTEES,
20 CONTINUE TO LOOK AT WORKING GROUPS. GETTING FOLKS
21 TO UNDERSTAND KIND OF GOVERNANCE AT THAT COMMITTEE
22 LEVEL IS GOING TO BE REALLY VALUABLE TO YOU ALL
23 GOING FORWARD.

24 NEXT UP WE HAVE OUR OPERATIONS FINDING.
25 SO AGAIN, WE DID NOT HAVE ANYTHING RELATED TO

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1 COMPLIANCE. WE HAD A COUPLE OF RECOMMENDATIONS JUST
2 AROUND SORT OF BETTER MANAGEMENT OF CONTRACTS AND
3 LOANS AND THINGS LIKE THAT.

4 SO WITH RESPECT TO SOLE SOURCE
5 PROCUREMENTS, WE DIDN'T HAVE ANY FINDINGS RELATED TO
6 COMPLIANCE, BUT WE DID FIND THAT THERE WERE SOME
7 SYSTEM LIMITATIONS. IT MEANT THAT SOME OF THEM WERE
8 MISCATEGORIZED. AND SO THERE ARE SOME OPPORTUNITIES
9 TO IMPROVE HOW WE DO CONTRACT RECORDING, HOW WE
10 INCREASE TRANSPARENCY IN THAT PROCESS. WE RECOMMEND
11 ESTABLISHING A PROCESS FOR THAT. AND THEN IN THE
12 BIENNIAL REPORT MAKE SURE THAT THAT'S UPDATED, THAT
13 WE HAVE BETTER TRANSPARENCY IN THAT SOLE SOURCE
14 PROCESS. SOLE SOURCE CONTRACTS, IN PARTICULAR, GET
15 A LOT OF PUBLIC ATTENTION. SO WE WANT TO MAKE SURE
16 THAT ALL OF OUR I'S ARE DOTTED AS WELL AS OUR LOWER
17 CASE J'S THROUGHOUT THAT PROCESS.

18 AND THEN THE LOAN ELECTION POLICY NEEDS TO
19 BE UPDATED. I MENTIONED WE WERE GOING TO HAVE A LOT
20 OF POLICY AND PROCEDURE RECOMMENDATIONS HERE. SO
21 IT'S COMPREHENSIVE, BUT IT SHOULD BE A LITTLE BIT
22 MORE DETAILED. SO WE'RE THINKING ABOUT WE HAVE TO
23 UPDATE SOME REGULATIONS. WE HAVE TO MAKE SURE THAT
24 THEY'RE REFLECTED. AND THEN LIBOR IS NOTED IN THAT
25 POLICY. LIBOR WENT AWAY. AND SO WE'VE GOT TO MAKE

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1 SURE THAT WE HAVE UPDATED THAT OR POTENTIALLY
2 INCLUDE IT IN ALTERNATIVE BENCHMARK.

3 OUR FINAL OPERATIONS FINDING IS AROUND
4 MONITORING OF GRANTEE COMPLIANCE AROUND TECHNOLOGY
5 DISCLOSURE. THESE DISCLOSURE SURVEYS NEED TO BE
6 DONE ON A REGULAR BASIS. THEY'RE DONE CURRENTLY AD
7 HOC. AND SO REALLY THINKING ABOUT SYSTEMATIZING
8 THAT WILL BE VERY IMPORTANT SO THAT YOU HAVE BETTER
9 REPORTING OF THOSE TECHNOLOGY DISCLOSURES. RIGHT
10 NOW THAT'S REALLY A ONE-ON-ONE KIND OF THING. AND
11 THAT MIGHT HAVE BEEN EASIER TO DO EARLIER IN CIRM'S
12 LIFE CYCLE, BUT NOW YOU'VE GOT A LOT MORE FOLKS WHO
13 ARE FILING THOSE TECHNOLOGY DISCLOSURES. AND SO WE
14 WANT TO MAKE SURE THAT THAT IS DONE ON A MORE
15 SYSTEMATIC BASIS.

16 WITHIN THE PLANNING AND PROGRAM
17 DEVELOPMENT CATEGORY, WE HAD A FEW RECOMMENDATIONS
18 HERE. ONE IS AROUND YOU HAVE SOME UNCERTAINTY
19 AROUND THE SUSTAINABILITY OF THE PATIENT ASSISTANCE
20 FUND. AND SO WE RECOMMEND REGULARLY REPORTING TO
21 BOARD ON THE PATIENTS SERVED, THE COST PER PATIENT
22 SO THAT YOU CAN DO BETTER DATA-DRIVEN DECISION
23 MAKING.

24 YOU ALSO COLLECT A LOT OF DATA THAT IS
25 VALUABLE, NOT JUST TO YOU, BUT IS VALUABLE TO THE

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1 WHOLE COMMUNITY. THAT IS PART OF SERVING PATIENTS
2 AND ADVANCING CIRM'S MISSION. YOU CURRENTLY DON'T
3 HAVE A DATA GOVERNANCE STRUCTURE OR ANY PROCESS TO
4 HELP TO COMPILE THAT DATA. SO THAT'S SOMETHING THAT
5 WILL BE VERY IMPORTANT, PARTICULARLY AS WE THINK
6 ABOUT CIRM'S LEGACY AND WHAT YOU WILL LEAVE ON THE
7 STATE OF CALIFORNIA AND WITHIN THE COMMUNITY HERE,
8 THINKING ABOUT HOW WE CAN MAKE SURE THAT THIS DATA
9 IS CONTROLLED, ACCESSIBLE, WHO HAS ACCESS TO IT,
10 WHAT DO WE INCLUDE, AND HOW WILL WE SHARE THAT
11 INFORMATION. THAT'S SOMETHING THAT I ANTICIPATE AN
12 AD HOC COMMITTEE WOULD LIKELY END UP BEING FORMED TO
13 ADDRESS.

14 WE ALSO NOTED, PARTICULARLY AROUND HOW
15 FOLKS ARE DELIVERING ON PROGRAM WORK, THAT CIRM HAS
16 RESTRUCTURED SOME FUNCTIONS AND RESTRUCTURED
17 WORKLOADS, BUT HASN'T NECESSARILY TAKEN KIND OF A
18 FULL LOOK AT WHO'S DOING WHAT, IS THAT WORK STILL
19 RELEVANT, DO WE HAVE FOLKS WHO ARE MAYBE DOING A
20 LOT, COULD WE REDISTRIBUTE WORKLOADS. WE RECOMMEND
21 DOING A WORKLOAD ANALYSIS, REALLY TRYING TO LOOK AT
22 DATA, THINGS LIKE DOING A TIME STUDY, LOOKING AT
23 WHAT FOLKS ARE ACTUALLY DOING IN TERMS OF OUTPUT SO
24 THAT YOU CAN UNDERSTAND WHAT STAFFING NEEDS ARE,
25 WHAT THEY MIGHT BE NEED, AND INCORPORATE THAT INTO

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1 ANNUAL OPERATIONAL PLANNING. WE'RE NOT NECESSARILY
2 SAYING YOU SHOULD ADD STAFF. WE'RE JUST SAYING
3 LET'S THINK ABOUT RIGHT-SIZING WORKLOADS.

4 AND THEN WE WANTED TO NOTE, AND I
5 MENTIONED THIS EARLIER, YOUR CHANGES HAPPENED REALLY
6 FAST OVER THE LAST SEVERAL YEARS. AND THERE HAS
7 BEEN A LITTLE BIT OF A LACK OF UNDERSTANDING AMONG
8 STAFF OF WHAT'S A PRIORITY TODAY, WHO'S RESPONSIBLE
9 FOR WHAT, AND WHAT ARE WE ACTUALLY DOING KIND OF BIG
10 PICTURE. SO WE RECOMMENDED A COUPLE OF THINGS.

11 THE FIRST IS TO ADOPT A STANDARDIZED
12 CHANGE MANAGEMENT TEMPLATE TO UNDERSTAND WHO NEEDS
13 TO BE INFORMED, WHO WILL BE IMPACTED BY CHANGE, AND
14 THEN REALLY CREATING THAT CULTURE OF DELIBERATE
15 CHANGE MANAGEMENT. AND REALLY THAT'S ABOUT
16 COMMUNICATION. MAKING SURE EVERYONE WHO NEEDS TO
17 KNOW IS INFORMED, THAT FOLKS ARE COMMUNICATED TO
18 EARLY AND OFTEN, THAT CHANGE IS ACTUALLY
19 IMPLEMENTED, AND THERE'S AN ACCOUNTABILITY MEASURE
20 FOR THAT. AND THAT WE DO HAVE A TWO-WAY FEEDBACK
21 MECHANISM BETWEEN FOLKS IN MANAGEMENT AND STAFF IN
22 TERMS OF HOW EFFECTIVE THOSE CHANGES ARE IF WE NEED
23 TO MAKE ANY UPDATES.

24 AND THEN OUR FINAL SECTION WAS RELATED TO
25 HUMAN RESOURCES. SO FIRST AND FOREMOST, MOST HR

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1 PROCESSES ARE MANUAL AND MOST ARE NOT DOCUMENTED.
2 AND THERE'S NOT AT LOT THAT EMPLOYEES CAN DO TO
3 SELF-SERVICE. AND SO THIS JUST FRANKLY SLOWS DOWN
4 THE BUSINESS OF CIRM, AND IT HAS FOLKS FOCUSING ON
5 THINGS THAT THEY DON'T NEED TO FOCUS ON.

6 THERE HAS BEEN AN EFFORT IN THE PAST YEAR
7 TO REALLY LEAN IN TO IMPROVING HUMAN RESOURCES. AND
8 SO THAT HR PROCESS AUTOMATION, EMPLOYEE
9 SELF-SERVICE. BAMBOO HR IS THE SYSTEM THAT'S IN
10 PLACE, AND SO THAT JUST NEEDS TO BE LOOKED AT IN
11 TERMS OF CAN WE MATURE IT, CAN WE GET FULL ADOPTION,
12 WHAT ELSE CAN WE DO TO MAKE THINGS AUTOMATED. AND
13 THEN VERY, VERY IMPORTANT, DOCUMENT KEY HR
14 PROCEDURES. THERE'S BEEN A LOT OF TURNOVER IN THE
15 HR POSITION. IT'S TYPICALLY BEEN DONE BY ONE
16 PERSON. IN MY EXPERIENCE WITH YOU ALL CHECKING IN
17 EVERY THREE YEARS, THAT PERSON HAS BEEN DIFFERENT
18 EVERY TIME. SO NOT HAVING THOSE PROCEDURES
19 DOCUMENTED CAN PUT YOU ALL AT PRETTY SIGNIFICANT
20 RISK OF THE CONTINUITY OF THE FUNCTION. AGAIN,
21 THINKING ABOUT YOUR EMPLOYMENT LAW COMPLIANCE,
22 THAT'S A RISK TO YOU ALL. AND SO REALLY THINKING
23 ABOUT MAKING SURE THAT WE HAVE THAT INFORMATION
24 DOCUMENTED AND IT IS KEPT UP TO DATE.

25 NEXT STEP, WE HAVE LIMITED POLICIES, AS I

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1 MENTIONED. FOLKS IN HR DON'T HAVE A LOT OF
2 BANDWIDTH, AND THERE WERE PRETTY SIGNIFICANT HIRING
3 NEEDS AS THE AGENCY RAMPED BACK UP AFTER PROPOSITION
4 14. SO THAT MEANT THAT THE HIRING PROCESS WAS
5 DELAYED, AND THEN FOLKS WERE ONBOARDED PRETTY
6 INCONSISTENTLY. AND WE'RE SEEING A LITTLE BIT OF
7 THE RIPPLE EFFECT OF THAT. SO NOT EVERYBODY KNOWS
8 EVERYTHING. THERE CAN BE SOME PRETTY SIGNIFICANT
9 KNOWLEDGE GAPS OR JUST COMMUNICATION GAPS BECAUSE
10 THAT WAS MISSED IN ONBOARDING.

11 SO WE RECOMMEND PUTTING TOGETHER STANDARD
12 OPERATING PROCEDURES FOR THE HIRING AND ONBOARDING
13 PROCESS, TRYING TO REALLY FOCUS ON HAVING A
14 CONSISTENT EXPERIENCE FOR YOUR EMPLOYEES. THERE IS
15 RESEARCH THAT SAYS KIND OF THE FIRST 90 DAYS OF
16 EMPLOYMENT DECIDE WHETHER OR NOT SOMEONE IS GOING TO
17 STAY WITH YOU LONG-TERM. SO WE WANT TO MAKE SURE
18 THAT THAT SITUATION IS REALLY CONSISTENT AND GOOD
19 FOR FOLKS.

20 AND THEN WE NEED TO REALLY DIFFERENTIATE
21 THOSE ONBOARDING PLANS FOR FOLKS WHO HAVE DIFFERENT
22 RESPONSIBILITIES. SO OBVIOUSLY PEOPLE WHO WORK IN
23 GRANTS ARE GOING TO BE DIFFERENT FROM PEOPLE WHO
24 WORK IN I.T. BUT WE WANT TO MAKE SURE THAT WE'RE AS
25 CONSISTENT AS POSSIBLE AND THAT TRAINING IS OFFERED

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1 FREQUENTLY AND IS UPDATED REGULARLY.

2 ITEM 2, MORE RECOMMENDATIONS FOR YOU IN
3 HR. SO ONE IS THAT THERE MAY HAVE BEEN SOME PAY
4 INEQUITIES BETWEEN KIND OF OLDER AND NEWER
5 EMPLOYEES. AND WHAT YOU REALLY NEED TO DO IS LOOK
6 AT THE COMPENSATION POLICY AND MAKE SURE THAT IT'S
7 UPDATED AND CONSISTENT WITH THE STATE EMPLOYEE
8 MANUAL. SO WE WANT YOU TO UPDATE THAT POLICY. AND
9 WE ALSO WANT YOU TO TAKE A LOOK ACROSS THE
10 ORGANIZATION AT PAY, MAKE SURE THAT PAY BANDS ARE
11 CONSISTENT, ASSESS FOR PAY INEQUITIES ACROSS CIRM.
12 AS I MENTIONED IN THE BEGINNING, CIRM IS A PLACE
13 THAT PEOPLE WORK BECAUSE THEY LOVE THE MISSION.
14 THEY DON'T WORK AT CIRM BECAUSE OF THE PAY AND
15 BENEFITS, WHICH ARE GOOD, BUT IT'S NOT THE MAIN
16 DRIVER. BUT WE ALSO NEED TO MAKE SURE THAT WE'RE
17 DOING THINGS FAIRLY AND EQUITABLY AND CONSISTENTLY.
18 AND THIS IS, AGAIN, A REALLY BIG IMPACT OF NOT
19 HAVING CONSISTENT HR AND NOT HAVING THOSE PROCESSES
20 IN PLACE.

21 AND THEN FINALLY, CURRENT HYBRID WORK
22 POLICY, SO THAT'S DEFINITELY A POLICY THAT NEEDS TO
23 BE UPDATED. HYBRID WORK AND REMOTE WORK ARE HUGE IN
24 TODAY'S EMPLOYMENT ENVIRONMENT. AS A STATEWIDE
25 ORGANIZATION, IT'S ALSO SOMETHING FOR YOU TO REALLY

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1 THINK ABOUT IN TERMS OF WHERE PEOPLE ARE WORKING AND
2 WHAT THEY'RE DOING, AND HOW MUCH WE WANT FOLKS TO BE
3 IN THE OFFICE.

4 SO WE WANT YOU TO DO TWO THINGS. THE
5 FIRST IS TO LOOK AT THE IMPACT OF YOUR POLICY ON
6 EMPLOYEE PRODUCTIVITY. TALK TO FOLKS, FIGURE OUT IF
7 YOU CAN GET ANY QUANTITATIVE DATA AROUND IS THIS
8 WORKING FOR US? ARE THERE OPPORTUNITIES FOR US TO
9 IMPROVE? WE ALSO WANT TO MAKE SURE THAT IT'S
10 APPLIED CONSISTENTLY. WHEN WE DON'T APPLY
11 EMPLOYMENT POLICIES CONSISTENTLY, THAT OPENS US UP
12 TO RISK. AND WE ALSO WANT TO MAKE SURE WHATEVER
13 POLICY YOU HAVE IN PLACE SUPPORTS YOUR OPERATIONAL
14 GOALS.

15 AND THEN OUR SECOND RECOMMENDATION HERE IS
16 AROUND CREATING ALLOWABLE EXCEPTIONS, AND THIS IS
17 PROBABLY MORE WORK FOR THE MANAGEMENT TEAM THAN IT
18 WOULD BE FOR THE BOARD. BUT UNDERSTANDING WHERE WE
19 WOULD MAKE EXCEPTIONS. SO WHETHER SOMEONE IS CARING
20 FOR AN ILL FAMILY MEMBER IS OFTEN A REGULAR
21 EXEMPTION. WHETHER SOMEONE IS WORKING
22 INTERNATIONALLY, THOSE ARE OFTEN IN THESE POLICIES,
23 THINGS LIKE THAT, SO THAT WE CAN SUPPORT THE POLICY
24 BEING CONSISTENT, BUT IT'S TRANSPARENT. EVERYONE
25 UNDERSTANDS AND NO ONE THINKS THAT IT'S UNFAIR.

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1 AND FINALLY, I HAVE AN UPDATE ON OUR PRIOR
2 PERFORMANCE AUDIT. SO THE FIRST TWO PERFORMANCE
3 AUDITS CONDUCTED IN 2011 AND 2014, ALL
4 RECOMMENDATIONS HAVE BEEN IMPLEMENTED OR CLEARED.

5 FOR THE 2017 PERFORMANCE AUDIT, THAT IS
6 ALSO COMPLETE. AND DURING THIS PERIOD WE VALIDATED
7 OR CLOSED FOUR OPEN RECOMMENDATIONS.

8 THE PRIOR PERFORMANCE AUDIT, WHICH WAS
9 CONDUCTED IN 2021, AFTER PASSAGE OF PROPOSITION 14,
10 WE HAVE ONE RECOMMENDATION THAT WAS CLOSED, WHICH
11 MEANS IT WASN'T IMPLEMENTED, BUT ALSO THE TIME HAS
12 PASSED TO IMPLEMENT IT, SO IT'S NOT RELEVANT
13 ANYMORE. WE'RE NOT GOING TO LEAVE THAT HANGING OPEN
14 FOR YOU. THREE ARE COMPLETE, AND THEN WE HAVE FIVE
15 MORE IN PROGRESS THAT WE'LL CHECK ON AGAIN IN THREE
16 YEARS.

17 SO WITH THAT, I WILL STOP SHARING MY
18 SCREEN AND OPEN IT UP FOR ANY QUESTIONS OR
19 DISCUSSION FROM THE COMMITTEE.

20 CHAIRPERSON GASSON: THANK YOU VERY MUCH
21 FOR THAT REPORT, COLLEEN. VERY WELL DONE.

22 I HAVE A QUESTION THAT I'M NOT SURE YOU
23 CAN ANSWER. WHAT IS THE BEST PRACTICES AROUND THE
24 LAST POINT OF WORK FROM HOME AND HYBRID WORKPLACES?
25 DO YOU HAVE ANY SENSE FOR WHERE THINGS ARE GOING OR

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1 WHAT'S WORKING WELL IN OTHER ORGANIZATIONS?

2 MS. ROZILLIS: THAT'S A GREAT QUESTION.

3 IF I HAD TO ANSWER TO THAT QUESTION, I WOULD
4 PROBABLY BE WRITING A *NEW YORK TIMES* BEST SELLER AT
5 THE MOMENT. WE'RE SEEING KIND OF TWO THINGS. ONE
6 IS ORGANIZATIONS, PARTICULARLY IN THE PRIVATE
7 SECTOR, ARE SAYING EVERYBODY IS COMING BACK BECAUSE
8 THIS DOESN'T FEEL LIKE IT'S WORKING FOR US. AND
9 OTHER ORGANIZATIONS ARE STAYING HYBRID. AND THE
10 DIFFERENTIATOR SEEMS TO BE KIND OF THE TENURE AND
11 EXPERIENCE OF STAFF.

12 IN OUR INDUSTRY WHERE WE HAVE A LOT OF
13 FOLKS WHO ARE FRESH OUT OF COLLEGE, WE HAVE TONS AND
14 TONS OF ACCOUNTANTS KIND OF CYCLE THROUGH THE
15 SYSTEM. EVERY YEAR WE'RE SEEING A BIG MOVEMENT
16 TOWARD BEING IN PERSON BECAUSE OF THE TRAINING AND
17 CONNECTION NEEDS.

18 IN AN ORGANIZATION LIKE CIRM, WHERE YOU
19 HAVE FOLKS WHO TEND TO BE PRETTY EXPERIENCED WHEN
20 THEY JOIN YOU, IT'S MORE LIKELY THAT FOLKS CAN BE
21 PRODUCTIVE AT HOME AND HAVE EXPERIENCE IN A HYBRID
22 ENVIRONMENT. SO IT REALLY DEPENDS INDIVIDUALLY WHAT
23 WORKS FOR YOU ALL.

24 I DO KNOW THAT BEING SORT OF PART TIME IN
25 THE OFFICE AND HAVING ANCHOR DAYS CAN BE REALLY

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1 SUCCESSFUL FOR A LOT OF OUR CLIENTS.

2 CHAIRPERSON GASSON: THANK YOU. QUESTIONS
3 OR COMMENTS FROM THE COMMITTEE MEMBERS?

4 DR. LEVITT: I WAS GOING TO SAY THERE WAS
5 AN ARTICLE IN THE *LOS ANGELES TIMES* YESTERDAY ABOUT
6 THIS VERY TOPIC. I DON'T KNOW IF ANYONE SAW IT. IT
7 WAS IN SUNDAY'S *TIMES*, *L.A. TIMES*, AND THEY
8 BASICALLY PARROTED WHAT YOU JUST SAID. AND IN FACT
9 THEY DID SURVEYS. AND THE YOUNGER GENERATION
10 ACTUALLY SAID THAT THEY PREFER TO SPEND MORE TIME IN
11 OFFICE THAN OUTSIDE OF OFFICE, WHICH WAS A SURPRISE
12 TO SEVERAL OF THE -- THIS IS PRIVATE SECTOR THAT HAS
13 MOVED TOWARDS HAVING AT LEAST THREE IN-PERSON DAYS,
14 REMAINING SOMEWHAT HYBRID AND FLEXIBLE, BUT MORE
15 DAYS IN THAN OUT.

16 CHAIRPERSON GASSON: THANK YOU, PAT.
17 MARIA BONNEVILLE.

18 VICE CHAIR BONNEVILLE: THANK YOU SO MUCH,
19 COLLEEN, FOR BEING HERE TODAY. I REALLY APPRECIATE
20 IT.

21 SOMETHING THAT YOU MENTIONED ABOUT THE
22 PATIENT SUPPORT FUND, PATIENT SERVICES, JUST TO
23 CLARIFY, IT'S NOT JUST LIMITED TO ROYALTY REVENUES
24 THAT COME IN. WE CAN ADD TO THAT FUND FROM OUR OWN
25 RESEARCH FUNDING OR OTHER FUNDING MECHANISMS OR

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1 FUND-RAISING THAT WE MIGHT DO ON THE SIDE. IT IS
2 REALLY IMPORTANT TO THE ORGANIZATION. SO I EXPECT
3 THAT WE WILL EXPLORE OTHER AVENUES TO CONTINUE THIS
4 FUND AND TO ADD TO IT.

5 JUST WANTED TO MAKE SURE THAT EVERYBODY
6 UNDERSTOOD THAT IT'S NOT JUST ROYALTY FUNDS, BUT CAN
7 BE OTHER FUNDING MECHANISMS THAT GO INTO THAT. AND
8 IT IS REALLY IMPORTANT. SO THANK YOU FOR
9 HIGHLIGHTING THAT. I REALLY APPRECIATE IT.

10 MS. ROZILLIS: AND THAT'S A GREAT POINT.
11 OUR FINDING WASN'T, HEY, YOU MIGHT NOT HAVE ENOUGH
12 MONEY. IT'S THAT WE DON'T HAVE THE DATA TO
13 UNDERSTAND ACTUALLY WHAT THE FISCAL LONGEVITY OF THE
14 FUNDS ARE. SO MAKING SURE THAT YOU UNDERSTAND THE
15 FINANCIAL HELP, UNDERSTAND WHAT YOUR OPTIONS ARE IS
16 REALLY IMPORTANT TO ACTUALLY DELIVERING ON THAT LONG
17 TERM.

18 VICE CHAIR BONNEVILLE: GREAT. AND YOU
19 KNOW OUR STANDARDS WORKING GROUP IS MEETING SOON TO
20 DISCUSS THE DIFFERENT SUPPORT SERVICES THAT WE MAY
21 COVER, EXPANDING THAT PROGRAM. CURRENTLY RIGHT NOW
22 IT'S LIMITED. CAN WE EXPAND THE PROGRAM AND TO WHAT
23 WE WOULD EXPAND IT TO. SO THERE IS ONGOING
24 CONVERSATION AROUND THAT. SO THANK YOU.

25 CHAIRPERSON GASSON: STEVE.

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1 MR. JUELSGAARD: YES. I WANT TO ASK A
2 QUESTION ABOUT FINDING NO. 12. THE FINDING IS DUE
3 TO HISTORICAL COMPENSATION PRACTICES, PAY
4 INEQUITIES, AND I'M GOING TO HIGHLIGHT THE WORDS
5 "MAY HAVE DEVELOPED" BETWEEN TENURED AND NEW
6 EMPLOYEES. SO THE FIRST QUESTION IS DID YOU TEST
7 THAT POTENTIAL ASSUMPTION? NOW, YOU TESTED -- IN
8 THE GRANT AREA YOU ACTUALLY PICKED OUT GRANTS AND
9 YOU TESTED THEM TO SEE HOW WE WERE DOING. DID YOU
10 TAKE A LOOK OR IS THIS JUST BASICALLY BASED ON
11 EMPLOYEE FEEDBACK AND HOW PEOPLE FELT THAT THEY WERE
12 BEING TREATED VIS-A-VIS OTHERS? WHAT'S THE BASIS
13 FOR THIS PARTICULAR FINDING?

14 MS. ROZILLIS: SO BOTH. SO WE DID LOOK AT
15 PAY, BUT WE ALSO DID TALK TO FOLKS ABOUT IT. IT WAS
16 ABSOLUTELY SOMETHING THAT CAME UP. AND THERE ARE A
17 COUPLE OF INPUTS HERE.

18 SO ONE IS THAT FOLKS WHO HAVE BEEN AT THE
19 PLACE WHERE THEY'VE WORKED PRIOR TO THE PANDEMIC ARE
20 SIMPLY ON A DIFFERENT TRAJECTORY THAN PEOPLE WHO YOU
21 HIRED 2020, 2021 BECAUSE THE MARKET WAS SO TIGHT.
22 EVERY ORGANIZATION ENDED UP PAYING A PREMIUM FOR
23 PEOPLE THAT THEY HIRED DURING THAT TIME. SO THAT'S
24 GOING TO CREATE AN INEQUITY JUST ON ITS OWN, AND
25 IT'S SOMETHING THAT'S HAPPENING ACROSS EVERY

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1 INDUSTRY. AND PEOPLE ARE KIND OF FIGURING OUT HOW
2 DO WE BRING PEOPLE UP.

3 THE OTHER IMPACT THERE IS HISTORICALLY
4 CIRM HAS NOT GIVEN COST OF LIVING ADJUSTMENTS. SO
5 MANY FOLKS WHO WERE HIRED ARE STILL EARNING THE SAME
6 SALARY IN REAL DOLLARS THAT THEY WERE EARNING WHEN
7 THEY WERE HIRED AND NOT ADJUSTING FOR INFLATION,
8 NOTHING LIKE THAT. SO THAT'S ALSO GOING TO REALLY
9 IMPACT. IF YOU HIRE SOMEONE AT A 2023 MARKET RATE
10 VERSUS SOMEONE WHO WAS HIRED IN 2017, IF THEY HAVE
11 THE SAME JOB, THERE'S GOING TO BE A DIFFERENCE. SO
12 THOSE PRACTICES WERE PRETTY WELL KNOWN. WE HAD
13 NOTED THAT IN SOME OF OUR PRIOR PERFORMANCE AUDITS,
14 UNDERSTANDING THAT THAT'S SOMETHING THAT YOU ALL
15 DID. SO THAT'S WHY AN EQUITY ANALYSIS, REALLY
16 UNDERSTANDING FOLKS' JOBS, AND THEN DOING THAT
17 ASSESSMENT IS GOING TO BE VERY IMPORTANT TO YOU IN
18 LONGER TERM.

19 MR. JUELSGAARD: DID YOU ASK ABOUT WHETHER
20 OR NOT CIRM IS ABIDING BY THE CALIFORNIA PAY
21 TRANSPARENCY LAW THAT CAME INTO EFFECT IN EARLY 2023
22 WHEREBY WE HAVE TO POST WHEN WE HIRE FOR NEW
23 POSITIONS, THE PAY RANGES FOR THOSE POSITIONS, AND
24 ANY EMPLOYEE WHO ASKS WHAT THE PAY RANGE IS FOR THE
25 POSITION THAT THEY'RE IN HAS A RIGHT TO KNOW THAT?

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1 DID YOU ASK ABOUT THAT? DO WE KNOW HOW WELL WE ARE
2 DOING WITH REGARD TO PAYING ATTENTION TO THAT
3 PARTICULAR LAW?

4 MS. ROZILLIS: WE DID ASK ABOUT THAT. SO
5 I KNOW THAT THAT'S SOMETHING THAT HR AND LEGAL ARE
6 AWARE OF. BUT THAT'S ALSO -- YOU'RE NOT IN A BIG
7 HIRING PUSH LIKE YOU WERE BEFORE. SO IT'S A LITTLE
8 BIT HARDER TO TEST EVEN KIND OF OPEN POSITIONS
9 VERSUS WHERE YOU ALL ARE TODAY. BUT IT'S ABSOLUTELY
10 SOMETHING THAT HR IS AWARE OF.

11 MR. AGUIRRE-SACASA: AND, STEVE, I CAN
12 CONFIRM THAT WE ARE COMPLYING WITH THE TRANSPARENCY
13 LAWS.

14 MR. JUELSGAARD: SO I TAKE IT THAT THIS
15 WHERE THE CONCERNS ARE ABOUT DISPARATE PAY IS COMING
16 FROM PEOPLE ARE REALIZING THAT THE PAY RANGES HAVE
17 MOVED ON THEM. IN SOME SENSE, I HEAR WHAT YOU'RE
18 SAYING. THIS IS SOMETHING THAT WE NEED TO BE OUT IN
19 FRONT OF. WE HAVE AN EXISTING EMPLOYEE BASE, A LOT
20 OF INVESTMENT IN THE ORGANIZATION IN TERMS OF THEIR
21 EXPERIENCE, ET CETERA. AND WE CERTAINLY CAN'T BE
22 PAYING NEW PEOPLE MORE THAN WE'RE PAYING EXISTING
23 PEOPLE DOING COMPARABLE WORK. AT THE VERY LEAST, IT
24 SHOULD ACTUALLY PROBABLY BE THE OTHER WAY AROUND,
25 ASSUMING EQUAL COMPETENCY. SO ANYWAY. FOR ME IT'S

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1 A BIT OF A CONCERNING ISSUE.

2 NOW, ONE OF THE ISSUES, AND THIS IS NOT
3 FOR YOU SO MUCH, BUT FOR THE REST OF US, IS WE NEED
4 AS AN ORGANIZATION, MANAGEMENT NEEDS TO GET ON TOP
5 OF THE HR ISSUES. I JUST DON'T THINK WE'VE DONE A
6 GOOD ENOUGH JOB OF THAT. I'M NOT SURE WHAT THE
7 STRENGTH IS IN OUR HR GROUP, BUT I THINK THIS IS
8 PART AND PARCEL OF KIND OF THE OUTPUT OF YOUR
9 FINDINGS HERE IS WE'VE GOT SEVERAL THINGS THAT ARE
10 TOUCHING ON HUMAN RESOURCES AND THEIR ROLE WITHIN AN
11 ORGANIZATION.

12 SO I NOTE AT THE VERY END OF YOUR
13 PRESENTATION, LET ME FIND THAT REAL FAST HERE, AND
14 THIS IS NOT A QUESTION FOR YOU. IT'S ON THE LAST
15 PAGE. NO, IT'S NOT ON THE LAST PAGE. WHERE IS IT?
16 SOMEWHERE ALONG HERE, IT MAY NOT HAVE BEEN IN THE
17 PRESENTATION, IT MAY HAVE BEEN ON THE ACTUAL
18 MATERIALS THEMSELVES, MANAGEMENT'S RESPONSE WAS
19 WE'LL GET BACK TO YOU, THE BOARD, DOWN THE ROAD,
20 WHICH I DON'T KNOW HOW LONG WE'VE HAD THESE
21 FINDINGS, ET CETERA. BUT ONE OF THE THINGS I WOULD
22 LIKE TO HEAR AT SOME POINT FROM MANAGEMENT IS WHAT
23 THEIR PLAN IS FOR ADDRESSING THESE ISSUES. WE NEED
24 TO SEE A WORK PLAN TO MEET THIS PRESENTATION AND TO
25 CREATE A HIERARCHY OF IMPORTANCE. NOT EVERYTHING IS

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1 EQUALLY IMPORTANT. SOME THINGS ARE MUCH MORE
2 CRITICAL TO DEAL MORE QUICKLY THAN OTHERS.

3 I'M JUST SOUNDING THIS NOTE, AND I WILL
4 PROBABLY TAKE IT UP AT THE UPCOMING ICOC MEETING,
5 BUT WE NEED TO UNDERSTAND FROM MANAGEMENT WHAT THEIR
6 PLAN IS GOING FORWARD TO ADDRESS SOME OF THESE
7 ISSUES.

8 MR. AGUIRRE-SACASA: STEVE, IF I MAY, ON
9 BEHALF OF THE LT, WE ARE WORKING ON A PLAN, AND WE
10 PLAN TO PRESENT IT, I BELIEVE, AT THE FEBRUARY
11 GOVERNANCE SUBCOMMITTEE MEETING AND THEN THE
12 FOLLOWING ICOC. SO WE'VE BEEN IN PROCESS. IT'S
13 JUST NOT BEEN FINALIZED, AND IT'S NOT READY FOR
14 PUBLIC CONSUMPTION, IF YOU WILL; BUT WE ARE WELL ON
15 THE WAY TO WORKING ON A LOT OF THESE ISSUES BECAUSE,
16 TO YOUR POINT, THEY ARE IMPORTANT, ESPECIALLY THE HR
17 ONES WHICH FALL IN MY BAILIWICK, IF YOU WILL. SO
18 WE'RE WORKING ON THOSE.

19 MR. JUELSGAARD: THANK YOU, RAFAEL.

20 CHAIRPERSON GASSON: OKAY. GREAT POINTS.
21 OTHER COMMENTS AND QUESTIONS FROM THE MEMBERS OF THE
22 COMMITTEE? I DON'T SEE ANY HANDS RAISED. ARE THERE
23 ANY COMMENTS OR QUESTIONS FROM THE MEMBERS OF THE
24 PUBLIC?

25 MS. MANDAC: I DO NOT SEE ANY HANDS RAISED

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1 THERE EITHER.

2 CHAIRPERSON GASSON: OKAY. WE DO NOT NEED
3 TO HAVE A MOTION TODAY. I'VE CHECKED WITH SCOTT ON
4 THAT. SO IF THERE'S NOTHING FURTHER, I WANT TO
5 AGAIN THANK COLLEEN AND HER COLLEAGUES AT MOSS-ADAMS
6 FOR HAVING DONE A TERRIFIC PERFORMANCE EVALUATION
7 AND A GREAT PRESENTATION TODAY. AND THIS HAS REALLY
8 GIVEN US SOME THINGS TO WORK ON GOING FORWARD AND TO
9 PRIORITIZE. AND YOU CAN BE SURE THAT THAT'S WHAT
10 WE'RE GOING TO DO.

11 MS. MANDAC: SORRY, JUDY. IT DOES SEEM
12 LIKE J.T. HAS A COMMENT THAT HE WANTS TO MAKE.

13 CHAIRPERSON GASSON: OH, J.T., DO YOU HAVE
14 A COMMENT? I DON'T SEE YOU. THERE YOU ARE. J.T.

15 MR. TOCHER: J.T., IT'S INDICATED THAT
16 YOU'RE MUTED.

17 DR. THOMAS: HOW'S THAT?

18 CHAIRPERSON GASSON: NOW, WE CAN HEAR YOU,
19 J.T.

20 DR. THOMAS: GREAT. THANK YOU. HELLO,
21 EVERYBODY. NICE TO SPEAK TO YOU. I READ THE REPORT
22 WITH GREAT INTEREST. COLLEEN, THANK YOU VERY MUCH.
23 AS WE'VE SAID NUMEROUS TIMES OVER THE YEARS, WE
24 REALLY APPRECIATE ALL OF YOUR INPUT AND ABILITY TO
25 HONE IN ON ISSUES THAT CAN HELP US TO IMPROVE.

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1 MY ONLY COMMENT TO THE GOVERNANCE
2 SUBCOMMITTEE AT THIS POINT IS I'VE TAKEN DUE NOTE OF
3 ALL THE RECOMMENDATIONS, AND WE'LL BE SYSTEMATICALLY
4 WORKING WITH RAFAEL AND THE TEAM TO GIVE MY INPUT ON
5 HOW WE WILL REACT TO ALL OF THIS IN CONSTRUCTING A
6 PLAN FOR THE BOARD TO REVIEW IN FEBRUARY. BUT I
7 JUST WANTED TO LET YOU KNOW THAT AS A NEW STARTING
8 INTERIM CEO, I AM FULLY AWARE OF ALL THESE ISSUES
9 AND LOOK FORWARD TO WORKING WITH EVERYBODY TO
10 ADDRESS THEM, CORRECT THEM, AND MOVE ON.

11 MR. JUELSGAARD: WELCOME BACK, J.T.

12 DR. THOMAS: THANK YOU, STEVE.

13 CHAIRPERSON GASSON: GREAT NEWS, J.T.
14 WE'RE VERY HAPPY TO HEAR THAT. THAT'S TERRIFIC.

15 DR. THOMAS: THANK YOU, JUDY.

16 CHAIRPERSON GASSON: OKAY. LAST CALL FOR
17 COMMENTS OR QUESTIONS. OTHERWISE, WE WILL BE READY
18 TO ADJOURN THIS MEETING AND SEE YOU ALL AT THE ICOC
19 MEETING IN A COUPLE OF WEEKS. GO AHEAD, ANNE-MARIE.

20 DR. DULIEGE: I JUST WANTED TO SAY,
21 COLLEEN, IT HAS BEEN A PLEASURE TO WORK WITH YOU
22 OVER THE YEARS. I THINK NOW YOU'VE BEEN, WHAT,
23 THIRD TIME AT LEAST PROBABLY?

24 MS. ROZILLIS: I THINK SO.

25 DR. DULIEGE: I'M SURE I'M NOT THE ONLY

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1 ONE TELL YOU THE PLEASURE IT IS TO WORK WITH YOU,
2 KNOWING YOUR INCREDIBLY PROFESSIONAL, KNOWLEDGEABLE,
3 AND DILIGENT, BUT YOU ARE ALSO VERY UPBEAT AND
4 POSITIVE, WHICH IS SUCH AN IMPORTANT QUALITY OF A
5 SENIOR SITUATION, AS YOU VERY WELL KNOW, AND YOU
6 EXHIBITED REMARKABLY WELL. SO THANK YOU VERY MUCH.

7 CHAIRPERSON GASSON: THANK YOU,
8 ANNE-MARIE. AND I SEE NO OTHER HANDS RAISED OR
9 COMMENTS BEING MADE. AND SO I THINK WE CAN ADJOURN
10 THIS MEETING, AND I LOOK FORWARD TO SEEING ALL OF
11 YOU IN A COUPLE WEEKS.

12 (THE MEETING WAS THEN CONCLUDED AT 2:39 P.M.)

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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 GOVERNANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON JANUARY 8, 2024, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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