

**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**

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<b>OPEN SESSION</b>	
1. CALL TO ORDER	3
2. ROLL CALL	3
3. DISCUSSION OF PERFORMANCE AUDIT	4
4. PUBLIC COMMENT	NONE
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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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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

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?

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. JUELGAARD: 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

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. JUELGAARD: 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

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.)  
13  
14  
15  
16  
17  
18  
19  
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 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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