

BEFORE THE
FINANCE SUBCOMMETTEE 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: AS INDICATED ON THE AGENDA

DATE: JUNE 5, 2014
9:30 A.M.

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

BRS FILE NO.: 96265

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
OPEN SESSION:	
1. CALL TO ORDER.	3
2. ROLL CALL.	3
3. CONSIDERATION OF CIRM BUDGET FOR FISCAL YEAR 2014-2015.	3
4. PUBLIC COMMENT.	NONE

BARRISTERS' REPORTING SERVICE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JUNE 5, 2014; 9:30 A.M.

CHAIRMAN JUELSGAARD: I'M GOING TO CALL
THE MEETING OF THE FINANCE SUBCOMMITTEE TO ORDER.
FIRST ITEM OF BUSINESS IS ROLL CALL.

MS. BONNEVILLE: STEVE JUELSGAARD.

DR. JUELSGAARD: HERE.

MS. BONNEVILLE: JEFF SHEEHY.

MR. SHEEHY: HERE.

MS. BONNEVILLE: OS STEWARD.

DR. STEWARD: HERE.

MS. BONNEVILLE: JONATHAN THOMAS.

CHAIRMAN THOMAS: HERE.

MS. BONNEVILLE: ART TORRES.

MR. TORRES: HERE.

MS. BONNEVILLE: DONNA WESTON.

MR. TORRES: IS DONNA JOINING US?

MS. BONNEVILLE: DONNA IS NOT ABLE TO JOIN
US TODAY.

CHAIRMAN JUELSGAARD: WELL, THE FIRST AND
MAYBE ONLY ITEM OF BUSINESS IS A SECONDARY VIEW OF
THE NEXT COMING FISCAL YEAR BUDGET. AND SO, CHILA,
ARE YOU GOING TO ADDRESS THAT, OR WHO'S GOING TO
TALK ABOUT THE BUDGET?

MS. SILVA-MARTIN: I THINK RANDY IS. YOU

BARRISTERS' REPORTING SERVICE

1 WANT ME TO TALK ABOUT IT?

2 DR. MILLS: YEAH. I MEAN WE CAN TALK. I
3 DON'T KNOW HOW SPECIFICALLY.

4 CHAIRMAN JUELSGAARD: THE PRESENTATION
5 THAT WE HAVE IN FRONT OF US, WHICH FOR WHATEVER
6 REASON I CAN'T FIND IN MY INBOX FROM LAST NIGHT, BUT
7 IN ANY EVENT, SO WE HAD REVIEWED THIS ONCE BEFORE ON
8 MAY 1ST, I THINK. AND WE DELAYED ANY ACTION ON IT
9 PENDING YOUR REVIEW, RANDY. AND SO I THINK IT WOULD
10 BE HELPFUL, AND JUST LOOKING BRIEFLY AT THIS, I
11 DON'T KNOW -- I DON'T SEE ANY INDICATIONS OF CHANGES
12 FROM WHAT WE HAD BEFORE.

13 DR. MILLS: IT CHANGED PRETTY
14 SIGNIFICANTLY.

15 CHAIRMAN JUELSGAARD: IT DID. SO IS THERE
16 A PRESENT --

17 DR. MILLS: DO YOU HAVE THE SUMMARY WHICH
18 SHOWS -- DO THEY HAVE THE SUMMARY?

19 MS. SILVA-MARTIN: I JUST DID THAT THIS
20 MORNING.

21 CHAIRMAN JUELSGAARD: IT WOULD BE VERY
22 HELPFUL TO BE ABLE TO SEE WHERE THE CHANGES HAVE
23 BEEN MADE.

24 MS. SILVA-MARTIN: I JUST PUT IT TOGETHER
25 LIKE 45 MINUTES AGO.

BARRISTERS' REPORTING SERVICE

1 DR. MILLS: IN GENERAL TERMS THERE WAS A
2 \$673,000 CHANGE IN THE OVERALL BUDGET. AND THEN
3 BECAUSE OF WE HAD THE ALPHA CLINIC WORKING GROUP
4 PUSHED FROM THIS YEAR, THIS FISCAL YEAR, INTO NEXT
5 YEAR, THERE WILL BE A \$100,000 INCREASE FOR THAT,
6 BUT THAT 100,000 IS COMING OUT OF THIS YEAR. SO
7 IT'S MOVING FROM THIS FISCAL YEAR TO NEXT FISCAL
8 YEAR. SO THE BUDGET NET NET CHANGED 570 --
9 DECREASED NET \$573,000.

10 CHAIRMAN JUELSGAARD: I DIDN'T QUITE
11 UNDERSTAND THE ALPHA CLINICS CIRCUMSTANCE. SO I
12 UNDERSTAND THAT THEY'RE NOW BEING DONE NEXT FISCAL
13 YEAR, NOT THE COMING FISCAL YEAR. IN OTHER WORDS,
14 THIS FISCAL YEAR, '14-'15, RIGHT? SO YOU'RE TALKING
15 ABOUT '15-'16?

16 DR. MILLS: YEAH. WELL, THE ALPHA CLINICS
17 LITERALLY WOULD BE HAPPENING LIKE YESTERDAY.

18 CHAIRMAN JUELSGAARD: I UNDERSTAND.

19 DR. MILLS: IT'S NOW --

20 CHAIRMAN JUELSGAARD: NEXT YEAR IN TERMS
21 OF CALENDAR YEARS.

22 DR. MILLS: FISCAL. IT'S -- IT WENT FROM
23 THIS YEAR'S FISCAL YEAR.

24 CHAIRMAN JUELSGAARD: '14-'15 TO '15-'16.

25 DR. MILLS: '13-'14.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: THE REVIEW COSTS, NOT THE
2 ACTUAL ALLOCATION OF RESEARCH DOLLARS.

3 CHAIRMAN JUELSGAARD: I SEE. IT WAS
4 SCHEDULED TO BE IN THIS FISCAL YEAR.

5 MS. SILVA-MARTIN: RIGHT.

6 DR. MILLS: SO THAT'S -- THE ONLY ADDITION
7 IS THE \$100,000 FOR THAT, BUT IT'S REALLY JUST A
8 TRANSFER FROM THIS FISCAL YEAR TO NEXT FISCAL YEAR.

9 CHAIRMAN JUELSGAARD: RIGHT.

10 DR. MILLS: AND THEN THERE'S \$673,000.

11 CHAIRMAN JUELSGAARD: OKAY. SO THIS PAGE
12 SHOWS (INAUDIBLE).

13 DR. MILLS: YEAH.

14 MS. BONNEVILLE: OS, I JUST SENT THAT TO
15 YOU VIA E-MAIL.

16 DR. STEWARD: OKAY. THANKS. I'LL LOOK
17 FOR IT.

18 MS. BONNEVILLE: OKAY.

19 CHAIRMAN JUELSGAARD: LET'S JUST TAKE A
20 SECOND TO LOOK THROUGH THIS.

21 DR. MILLS: SURE.

22 CHAIRMAN JUELSGAARD: AND THEN WE CAN GET
23 TO THE PRESENTATION AND QUESTIONS.

24 CHAIRMAN THOMAS: I THINK THE OTHER THING
25 YOU WANT TO HIGHLIGHT AS AN INCREASE IS THE

BARRISTERS' REPORTING SERVICE

1 RETIREMENT.

2 MS. SILVA-MARTIN: YES. I WAS GOING TO
3 TALK ABOUT THAT. SO AS YOU MAY RECALL, AT THE LAST
4 FINANCE SUBCOMMITTEE, I INDICATED THAT RETIREMENT
5 HAD GONE UP TO 23.3 PERCENT. ON THE 15TH OF LAST
6 MONTH, WE RECEIVED YET MORE BAD NEWS, THAT IT WAS
7 GOING UP TO 24.198 PERCENT OF AN EMPLOYEE'S SALARY.
8 SO WHAT WE HAD IN THE '13-'14 BUDGET WAS 20.503
9 PERCENT. SO OVERALL IT'S LIKE FROM 20.503 TO 24 --
10 IT REALLY REPRESENTS AN OVERALL 15-PERCENT INCREASE
11 ON THAT RETIREMENT. AND SO THE BUDGET WENT UP
12 \$75,000 FOR THAT.

13 CHAIRMAN JUELGAARD: SO HOW DOES THAT
14 HAPPEN?

15 MS. SILVA-MARTIN: HOW DOES THAT HAPPEN?

16 CHAIRMAN JUELGAARD: THIS IS NOT
17 SOMETHING OBVIOUSLY THAT YOU'RE DOING OR ANYBODY
18 INSIDE CIRM IS DOING, AS I UNDERSTAND IT, BUT HOW
19 THE HECK DOES THAT SORT OF THING HAPPEN OR CAN
20 EXPLAIN IT AT THE STATE LEVEL?

21 MS. SILVA-MARTIN: SO CALPERS IS
22 RESPONSIBLE FOR ADMINISTERING THE STATE'S RETIREMENT
23 PROGRAM. AND THEY GO IN AND DO ANALYSIS OF WHAT
24 IT'S GOING TO TAKE OBVIOUSLY TO FUND THAT. AND MY
25 UNDERSTANDING IS THAT AT ONE POINT THEY USED TO LOOK

BARRISTERS' REPORTING SERVICE

1 AT FUNDING -- USED TO ADDRESS THE FUNDING ISSUES
2 OVER A TEN-YEAR PERIOD, BUT THEY'VE NOW GONE TO A
3 FIVE-YEAR PERIOD. AND BECAUSE OF THAT, THEY'RE
4 ANTICIPATING THAT OVER THE NEXT FIVE YEARS
5 RETIREMENT IS GOING TO GO UP FROM LIKE 20 PERCENT
6 PER EMPLOYEE TO 30 PERCENT PER EMPLOYEE. AND
7 THEY'RE GOING TO SPREAD THAT OUT OVER THE NEXT FIVE
8 YEARS. SO THAT'S WHAT THEY'RE SAYING IT'S GOING TO
9 TAKE TO FUND THE CURRENT RETIREMENT ROLL.

10 CHAIRMAN JUELSGAARD: AND WHAT DRIVES THAT
11 INCREASE? IS IT JUST LOWER RETURNS TO CALPERS OR
12 WHAT?

13 DR. MILLS: HEALTHCARE COST FOR THE MOST
14 PART.

15 MS. SILVA-MARTIN: AND --

16 MR. TORRES: THE RETURNS HAVE BEEN PRETTY
17 GOOD ON THE FUND. THE ONE THAT'S HURTING IS
18 CALSTRS, WHICH IS THE TEACHERS RETIREMENT FUND, BUT
19 CALPERS HAS BEEN PRETTY GOOD ON RETURNS.

20 DR. MILLS: IT'S THE COST OF HEALTHCARE.
21 IT'S JUST OUTRAGEOUS.

22 CHAIRMAN JUELSGAARD: OKAY. WELL, PUTTING
23 THAT ASIDE THEN, I THINK IT WOULD BE HELPFUL IF WE
24 COULD GO THROUGH THE ONE-PAGER THAT WAS HANDED OUT.

25 DR. MILLS: SURE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN JUELSGAARD: SORT OF GO THROUGH
2 CATEGORY BY CATEGORY AS TO PARTICULARLY WHERE THE
3 CHANGES ARE.

4 SO I SEE IN EMPLOYEE EXPENSES NO CHANGES
5 EXCEPT FOR THE INCREASE IN RETIREMENT. MAYBE WE
6 START WITH EXTERNAL SERVICES AND WORK OUR WAY
7 THROUGH WHERE THE CHANGES HAVE OCCURRED.

8 DR. MILLS: YEAH. I MEAN I THINK THE
9 EXTERNAL SERVICES APPEAR AS SORT OF ONE OFF SORT OF
10 INDIVIDUALLY NOTHING. ALL THAT PARTICULARLY
11 LARGE -- IF I MAY, STEVE, TRY JUST TO CUT IT A
12 DIFFERENT WAY.

13 CHAIRMAN JUELSGAARD: SURE.

14 DR. MILLS: SO THERE'S BASICALLY THREE
15 LARGE CATEGORIES OR AREAS THAT WE LOOK AFTER.

16 CHAIRMAN JUELSGAARD: RIGHT.

17 DR. MILLS: THE FIRST WAS THE MEETINGS,
18 AND THERE ARE TWO BLOCKS, TWO SPECIFIC THINGS THERE
19 WHICH ACCOUNT FOR ABOUT \$350,000 OF THE REDUCTION.
20 THE ONE WAS THE GRANTEE MEETING WHICH APPEARED TO
21 COST \$300,000 ON FACE VALUE. IN REALITY IT COST
22 SUBSTANTIALLY MORE THAN \$300,000. IT WAS THE \$300
23 WE WERE GOING TO PAY IN THAT LINE ITEM PLUS WE HAD
24 ANOTHER, I THINK, \$40,000 IN THE PRESENTATION.

25 WITH ALL OF THIS BEING SAID, THE GRANTEES

BARRISTERS' REPORTING SERVICE

1 WILL PAY THEIR OWN TRAVEL COSTS, YEAH, BUT OUT OF
2 GRANTS WE GIVE THEM. SO THE ENTIRETY OF THE COST OF
3 THIS MEETING IS MASSIVE, AND I WOULD GUESS WE WILL
4 BE NORTH OF \$500,000. AND IT'S NOT A MEETING THAT'S
5 SO IMPORTANT WE HOLD EVERY YEAR. SO I CAN'T SEE A
6 REASON WHY IT'S SO COMPELLING WE HOLD EVERY OTHER
7 YEAR. SO THAT'S -- THAT ONE MEETING MAKES UP A VERY
8 SUBSTANTIAL CHUNK OF THE REDUCTION.

9 THE SECOND WAS THE REDUCTION IN THE CDAP
10 BUDGET FROM \$400,000 TO \$300,000. AND THIS IS JUST
11 SIMPLY IN MY MIND WHAT I THINK REFLECTS CLOSER TO
12 REALITY. A \$400,000 CDAP BUDGET WOULD EQUATE TO
13 EIGHT OFFSITE CDAP MEETINGS IN A FISCAL YEAR. IT
14 JUST DOESN'T SEEM POSSIBLE THAT WE'D BE HAVING THAT
15 MANY INDIVIDUAL MEETINGS. I THINK WE CAN BE MORE
16 EFFICIENT ABOUT HOW WE SCHEDULE THOSE. IT JUST
17 DOESN'T -- IT DOESN'T FEEL RIGHT THAT WE SHOULD HAVE
18 TO SPEND \$400,000 ON THAT, PARTICULARLY WHEN YOU
19 LOOK AT OUR CDAP SPENDING FOR THIS YEAR WHERE THE
20 BUDGET WAS \$300,000. WE ACTUALLY ONLY CAME IN AND
21 SPENT ABOUT 185. SO WE WOULD HAVE TO MORE THAN
22 DOUBLE OUR CDAP SPENDING TO JUSTIFY THAT \$400,000.
23 AND I JUST DON'T -- I DON'T THINK IT'S GOING TO
24 HAPPEN. AND I THINK IF WE WERE THAT BUSY, WE COULD
25 FIND WAYS TO DO IT A LITTLE BIT MORE EFFICIENTLY.

BARRISTERS' REPORTING SERVICE

1 SO THAT'S THE SECOND BLOCK.

2 THE THIRD SORT OF MAJOR AREA COMES AROUND
3 THINGS -- ODD THINGS TO ME, SUCH AS MEMBERSHIPS AND
4 GROUPS AND AFFILIATIONS WHERE AS A NONPROFIT WE'RE
5 SPENDING REALLY, REALLY BIG CHUNKS OF MONEY TO BE
6 GOLD OR PLATINUM LEVEL SPONSORS OF ORGANIZATIONS.
7 NOW, COMING FROM THE FOR-PROFIT WORLD WHERE WE SOLD
8 A PRODUCT OR PRODUCTS INTO CERTAIN AREAS, I
9 UNDERSTAND SOMETIMES WHY A COMPANY WOULD NEED TO DO
10 THAT, TO BUY THE VISIBILITY OR ACCESS WITH THEIR
11 CUSTOMERS, THEIR PHYSICIANS, OR SURGEONS, OR WHAT
12 HAVE YOU.

13 I DON'T SEE THE RATIONALE IN CIRM DOING
14 THAT. WHY CIRM SHOULD BE SOMEBODY ELSE'S PLATINUM
15 SPONSOR AND HAVE TO PAY \$15,000 DOESN'T MAKE A LOT
16 OF SENSE TO ME. SO THERE WAS A FAIRLY LARGE
17 REDUCTION IN THOSE TYPES OF EXPENSES. MANY OF THEM
18 CAME OUT OF MY OFFICE, AND THEY WERE 15 TO
19 \$25,000-TYPE REDUCTIONS. SO THAT WAS THE THIRD
20 MAJOR CATEGORY.

21 AND THAT PROBABLY MAKES UP 600 OUT OF 675.
22 THERE WERE THINGS LIKE ELONA HAD IN HER BUDGET SOME
23 ITEMS THAT WE HAD DISCUSSED SUCH AS PREPARING A
24 MONOGRAPH ON REIMBURSEMENT, AND WE BOTH THOUGHT THAT
25 WAS A LITTLE ODD TO BE DOING WHEN WE DON'T HAVE

BARRISTERS' REPORTING SERVICE

1 ANYTHING CLOSE TO MARKET. AND SO THERE WERE SOME
2 THINGS -- THERE WERE THINGS IN MY BUDGET THAT I
3 DIDN'T -- I HAD A WHITE PAPER OR SOMETHING. I DON'T
4 KNOW WHAT I WAS WRITING A WHITE PAPER ON, BUT I
5 DON'T THINK IT COSTS \$20,000, SO I CUT IT OUT. AND
6 THAT MAKES UP THE REST OF THE ODDS AND ENDS.

7 TOO LARGE SPENDING ON MEETINGS AND THINGS
8 LIKE MEMBERSHIPS, NOT JUST MEMBERSHIPS, REALLY
9 MEMBERSHIPS IS SPONSORSHIPS, AT HIGH LEVELS FOR
10 MEETINGS WERE THE THREE MAJOR AREAS.

11 CHAIRMAN JUELSGAARD: OKAY. SO SEVERAL
12 QUESTIONS. THE FIRST IS IN PROBABLY -- SO THERE ARE
13 A SERIES IN PAT OLSON'S OF WORK GROUP MEETINGS OR
14 REVIEWS. HOW CAREFULLY HAVE YOU LOOKED AT THOSE AND
15 DECIDED THAT ALL OF THESE WHAT ARE GOING TO AMOUNT
16 TO RFA'S ARE THINGS THAT WE NEED TO DO?

17 DR. MILLS: REASONABLY WELL, BUT NOT TO A
18 HUNDRED-PERCENT GUARANTEE. AND THAT CENTERS
19 AROUND -- THE CAVEAT I WOULD GIVE TO THIS ENTIRE
20 EXERCISE IS THIS IS A REASONABLE APPROXIMATION OF
21 OUR BUDGETED OR OPERATING STRUCTURE, AND
22 ORGANIZATIONAL STRUCTURE STAYS EXACTLY AS IT IS.
23 NOW, THAT NEEDS TO BE RECONSIDERED AND REVIEWED AND
24 SEE WHAT WE COULD DO FASTER AND BETTER AND MORE
25 EFFICIENT IN ORDER TO HIT OUR AGENDA. IF THAT DOES

BARRISTERS' REPORTING SERVICE

1 AND IT SIGNIFICANTLY IMPACTS THE BUDGET, WHAT I
2 WOULD PROPOSE DOING IS COMING BACK TO OBVIOUSLY THE
3 FINANCE COMMITTEE AND THE FULL BOARD, ONE, WITH THE
4 PLAN, AND, TWO, WITH THE CORRESPONDING BUDGET
5 IMPACTS FOR THAT PLAN. BUT IT'S PROBABLY OFF
6 ALREADY AND THE YEAR HASN'T STARTED YET BY VIRTUE OF
7 ALPHA CLINICS GOT PUSHED, AND SO WE'RE SLIDING
8 ALREADY IN NEXT YEAR. BUT IT'S A ROUGH
9 APPROXIMATION, PARTICULARLY WHEN YOU COMPARE LAST
10 YEAR, WHICH APPEARED TO BE A RELATIVELY NORMAL YEAR
11 MINUS THE GRANTEE MEETING, IT APPROXIMATES HOW MUCH
12 WE DO DURING THE YEAR.

13 CHAIRMAN JUELSGAARD: SO THERE ARE IN MY
14 VIEW TWO WAYS OF BUDGETING FOR WHAT I CALL R&D
15 EXPENSES. ONE IS OUTCOME DETERMINATIVE, WHICH THIS
16 IS. IN OTHER WORDS, HOW MUCH RFA'S ARE WE GOING TO
17 ISSUE, AND THEN THAT DRIVES THE TOTAL AMOUNT OF THE
18 RFA'S, THE TOTAL SIZE. SO YOU JUST SUM UP WHATEVER
19 THOSE ARE. THE OTHER IS TO SET A TARGET AHEAD OF
20 TIME, WHICH IS THE WAY I'M MOST USED TO WHERE YOU
21 SIMPLY SAY THIS IS THE AMOUNT OF MONEY WE'RE GOING
22 TO SPEND ON R&D IN THE COMING YEAR. IN THE INDUSTRY
23 WORLD, IT'S TYPICALLY A PERCENTAGE OF REVENUES, BUT
24 WHATEVER. AND THEN YOU BACK INTO WHAT IT IS THAT
25 YOU'RE GOING TO DO.

BARRISTERS' REPORTING SERVICE

1 AND SO ARE YOU SATISFIED WITH THE OUTCOME
2 DETERMINATIVE APPROACH?

3 DR. MILLS: I'M NOT -- YOU'D HAVE TO TAKE
4 A STEP BACK EVEN FURTHER THAN THAT TO WHAT I'M NOT
5 SATISFIED WITH. SO I'M MOSTLY INTERESTED IN OUR
6 PRODUCTION. I WOULD -- SO THERE ARE TWO THINGS AND
7 BASICALLY FOUR CRITERIA THAT I HAVE THAT I'M WORKING
8 WITH NOW. DOES IT SPEED UP TREATMENT TO A PATIENT?
9 DOES IT INCREASE THE LIKELIHOOD OF A TREATMENT
10 GETTING TO A PATIENT? IS IT AN UNMET MEDICAL NEED?
11 AND IS IT EFFICIENT? MEANING THERE MIGHT BE FIVE
12 WAYS TO GET TO THAT, BUT IS THAT AN EFFICIENT WAY OR
13 IS THIS THE LEAST EFFICIENT WAY? OKAY.

14 SO I'M NOT SURE WE'RE GOING ABOUT -- WELL,
15 LET ME BACK UP. I WOULD SPEND A LOT OF MONEY ON
16 SOMETHING THAT DEFINITELY CHECKED OFF THOSE FIRST
17 THREE ITEMS. THAT WOULD BE WORTH IT TO SPEND A LOT
18 OF THE MONEY. I'M JUST NOT HERE LONG ENOUGH TO BE
19 ABLE TO FIGURE OUT WHAT THINGS WE SHOULD DO. BUT
20 THE COST OF US EXISTING, WE HAVE A MASSIVE FIXED
21 COST STRUCTURE WHETHER WE GET ANYTHING DONE OR WE
22 GET A LOT OF THINGS DONE.

23 SO THE COST OF US EXISTING SAYS TIME IS A
24 REALLY, REALLY IMPORTANT ISSUE FOR US. AND SO AS WE
25 GO THROUGH THIS AND WE FIND THINGS THAT INCREASE A

BARRISTERS' REPORTING SERVICE

1 THERAPY GETTING TO A PATIENT OR INCREASE THE
2 LIKELIHOOD OF SOMETHING BEING SUCCESSFUL, WE'RE
3 GOING TO END UP FOCUSING ON THAT, REPURPOSING THIS
4 MONEY TOWARD THAT. I AM JUST NOT NEARLY IN IT FAR
5 ENOUGH YET TO KNOW THAT ANSWER.

6 CHAIRMAN JUELSGAARD: I HAVE TWO MORE
7 MINOR QUESTIONS AND THEN I'LL YIELD THE FLOOR TO
8 WHOEVER. AND THEY ARE REALLY RELATING TO THE
9 MEETINGS, AND SO THEY KIND OF MAKE UP THE REMAINDER
10 OF THE DIFFERENCE BETWEEN SORT OF THE LARGE
11 (INAUDIBLE). ONE IS A REDUCTION, AND THIS IS IN
12 YOUR COST CENTER, ON THE SCIENTIFIC ADVISORY BOARD
13 REDUCED BY 25,000. SO I DON'T KNOW EVEN -- I CAN'T
14 RECALL RIGHT NOW WHAT THE ORIGINAL BUDGET NUMBER FOR
15 THAT WAS.

16 MS. SILVA-MARTIN: 65.

17 CHAIRMAN JUELSGAARD: 65. I'M JUST
18 CURIOUS AS MUCH AS ANYTHING. WHAT SORT OF
19 SCIENTIFIC ADVISORY BOARD REVIEW COULD YOU SEE
20 HAVING?

21 DR. MILLS: I HAVE NO IDEA. I HAVE NO
22 IDEA.

23 CHAIRMAN JUELSGAARD: OKAY.

24 DR. MILLS: BECAUSE EVERYTHING WE DO SEEMS
25 TO BE A SCIENTIFIC ADVISORY BOARD. WE HAVE SOME OF

BARRISTERS' REPORTING SERVICE

1 THE GREATEST SCIENTISTS EVER. WE THEN GO OUT AND WE
2 ASK THE OTHER GREATEST SCIENTISTS EVER TO EVALUATE
3 OUR GRANTEES WHO ARE THE GREATEST SCIENTISTS EVER.
4 AND THEN APPARENTLY WE DID ANOTHER -- THE CAPTIVES
5 OF ALL OF GREAT SCIENTISTS TO ADVISE US. I DON'T
6 GET IT.

7 CHAIRMAN JUELSGAARD: THAT'S FAIR.

8 CHAIRMAN THOMAS: LET ME JUST TALK ABOUT
9 THAT FOR ONE SECOND, STEVE. THE DERIVATION OF THAT
10 WHICH WAS --

11 DR. MILLS: AND I DON'T BECAUSE I WASN'T
12 HERE.

13 CHAIRMAN THOMAS: SO THE SAB WAS ONE OF
14 THE THINGS STRONGLY RECOMMENDED BY THE IOM, AND IT
15 WAS DIRECTLY TO THAT POINT THAT ALAN CONVENED A
16 GROUP OF TEN-ISH -- IS THAT ABOUT RIGHT?

17 MS. BONNEVILLE: EIGHT.

18 CHAIRMAN THOMAS: -- EIGHT SCIENTISTS TO
19 COME IN AND SORT OF TAKE STOCK OF WHAT CIRM IS DOING
20 AND MAKE A SERIES OF RECOMMENDATIONS WHICH THEY DID.
21 AND IT'S SOMETHING THAT IN DUE COURSE YOU SHOULD
22 REVIEW WHAT RECOMMENDATIONS THEY MADE, BUT THAT'S
23 THE REASON FOR IT EXISTING IS DIRECTLY IN RESPONSE
24 TO THE IOM.

25 DR. MILLS: THAT DOESN'T TO ME THEN SOUND

BARRISTERS' REPORTING SERVICE

1 LIKE NECESSARILY AN ONGOING ACTIVITY. IT SOUNDS A
2 LITTLE BIT LIKE OUR JOB AND THE BOARD'S JOB.

3 CHAIRMAN JUELSGAARD: JUST TO RESPOND TO
4 WHAT J.T. JUST SAID, I THINK THERE WERE -- THE
5 REASON THAT THAT WAS PROBABLY A WORTHWHILE EXERCISE
6 AT THE TIME WAS, YOU KNOW, FIRST OF ALL, IT WASN'T
7 CLEAR THAT WE REALLY HAD THAT GREAT OF A RUDDER ON
8 THE SHIP AND WE NEEDED ONE. WE NEEDED SOMEBODY TO
9 HELP US POINT IN A DIRECTION THAT THEY THOUGHT WE
10 SHOULD GO, AND I THOUGHT THAT WAS HELPFUL.

11 AND THE SECOND THING IS WE CALL THIS A
12 SCIENTIFIC ADVISORY BOARD. IT REALLY KIND OF LOOKED
13 AT OUR RELATIONSHIP WITH INDUSTRY. THAT'S A LITTLE
14 LESS ABOUT SCIENCE THAN ABOUT OTHER KINDS OF ADVICE.
15 BUT I THINK THAT ASPECT OF IT, HOPEFULLY, IS IN YOUR
16 REARVIEW MIRROR GIVEN THAT YOU HAVE THAT KIND OF
17 EXPERIENCE. AND I DON'T KNOW THAT WE REALLY -- AND
18 THE PEOPLE THAT WERE INVOLVED, BY THE WAY, IN THIS,
19 SOME HAD INDUSTRY EXPERIENCE, BUT A NUMBER REALLY IN
20 MY MIND DIDN'T. BUT ANYWAY, THE ADVICE CAME THROUGH
21 LOUD AND CLEAR, AND I THINK IT WAS HELPFUL.

22 ONE OF THE BIGGEST THINGS WAS THE NOTION
23 OF SORT OF PUTTING MORE MONEY TO CERTAIN PROJECTS TO
24 REALLY ADVANCE THEIR CAUSE MORE QUICKLY, WHICH I
25 THOUGHT WAS A FAIR IDEA, ASSUMING IT COULD BE DONE,

BARRISTERS' REPORTING SERVICE

1 ASSUMING YOU COULD STEP UP AND MAKE MORE PROGRESS.
2 SO I THINK THE WHOLE IDEA OF A CONTINUED NEED OF A
3 SCIENTIFIC ADVISORY BOARD, PARTICULARLY FOR ADVISING
4 YOU, IS OBVIOUSLY ONE THAT YOU SHOULD THINK ABOUT
5 AND CONSIDER AND DECIDE WHETHER OR NOT --

6 DR. MILLS: IT SEEMS LIKE YOU COULD DO IT
7 FOR LESS THAN \$65,000.

8 MR. SHEEHY: CAN I JUST MAKE A COMMENT?
9 WHAT THE SCIENTIFIC ADVISORY BOARD PROPOSAL WAS --
10 FROM THE IOM WAS THE IOM PUNTING ON WHAT WE
11 INITIALLY ASKED THEM TO DO. SO WE DIDN'T ASK FOR AN
12 OPERATIONAL REVIEW OF THE AGENCY. WE ACTUALLY -- AT
13 LEAST FOR SOMEONE WHO WANTED THE IOM REVIEW WAS WHAT
14 HAVE WE DONE? WHAT DO WE HAVE JUST LOOKING AT THIS.
15 AND I THINK THIS IS KIND OF WHAT YOU'RE DOING RIGHT
16 NOW. WE FUNDED A LOT OF STUFF. WHERE IS THIS GOING
17 TO GO? WHAT ARE OUR GAPS? WHAT DO WE NOT NEED TO
18 BE DOING? AND IOM DECIDED TO TAKE A DIFFERENT ROUTE
19 AFTER WE DECIDED TO AWARD THEM THE CONTRACT TO
20 REVIEW OUR SCIENTIFIC PROGRESS, WHICH THEY SEEMED
21 IDEALLY SUITED TO DO AS A CONVENER.

22 SO WE COULD OBJECTIVELY SAY TO THE PEOPLE
23 OF CALIFORNIA THIS IS WHAT YOU'VE BEEN -- THIS IS
24 WHAT YOU'VE GOTTEN. INSTEAD, THEY SAID, WELL, WHY
25 DON'T YOU CONVENE A SCIENTIFIC ADVISORY BOARD TO DO

BARRISTERS' REPORTING SERVICE

1 THE JOB THAT YOU ASKED US TO DO, AND WE'LL TELL
2 YOU -- WE'LL GET INTO THE WEEDS ON OPERATIONAL
3 ISSUES THAT YOU CAN'T CHANGE FUNDAMENTALLY BECAUSE
4 SO MANY OF THEM ARE PUT IN PLACE BY THE STATUTE THAT
5 WAS PASSED BY THE VOTERS AND IS UNCHANGEABLE EXCEPT
6 BY THE VOTERS. SO THAT'S KIND OF THE HISTORY OF IT.

7 SO I THINK I'M HOPEFUL THAT MAYBE WE
8 DON'T -- WE CAN GET SOME REAL GOOD EYES ON WHAT
9 WE'RE DOING AND MAKE SOME CHOICES AND MOVE FORWARD
10 IN A WAY THAT TRIES TO PRODUCE SOMETHING FOR THE
11 PEOPLE OF CALIFORNIA.

12 CHAIRMAN THOMAS: I JUST WANT TO MAKE IT
13 CLEAR. THE IOM'S REPORT SEVERAL TIMES TALKED ABOUT
14 WHAT A REMARKABLE PORTFOLIO WE HAD AND WHAT A MAJOR
15 CONTRIBUTION TO MEDICAL RESEARCH THIS WHOLE THING
16 HAS BEEN. SO JEFF'S RIGHT. THEY DIDN'T GET INTO
17 DETAILS OF THE OPERATION OR SAY THIS IS PARTICULARLY
18 GOOD VERSUS THAT. BUT AS SORT OF MACRO THEMES THAT
19 PERMEATED THE REPORT, THAT WAS CLEARLY ONE OF THEM.

20 CHAIRMAN JUELSGAARD: SO I'M SORRY. ONE
21 FINAL QUESTION. SO UNDER THE RESEARCH AREA THERE'S
22 A -- I'M SORRY -- DEVELOPMENT, SO SCIENTIFIC
23 DEVELOPMENT. IN THE ONE SHEETER THERE'S AN IOM
24 REDUCED \$40,000. YOU SEE THAT? SO I'M NOW TRYING
25 TO RECONCILE THAT WITH THIS, WHICH IS THE ONE

BARRISTERS' REPORTING SERVICE

1 SHEETER HERE BECAUSE I NEVER HAD SEEN -- THIS CALLS
2 OUT THE IOM RIGHT ON THE SHEET, AND YET I DON'T SEE
3 THE IOM EXCEPT FOR THE --

4 DR. MILLS: IT'S UNDER THE REVIEWS.

5 CHAIRMAN JUELSGAARD: SORRY.

6 DR. MILLS: IT'S UNDER REVIEWS, MEETINGS,
7 AND WORKSHOPS. IT'S THE LAST ITEM.

8 MS. SILVA-MARTIN: \$10,000 IN THE '14-'15.

9 MR. HARRISON: REGENERATIVE MEDICINE
10 FORUM.

11 CHAIRMAN JUELSGAARD: OKAY. I SEE. SO IT
12 WAS ORIGINALLY DESIGNED TO BE 50,000.

13 MS. SILVA-MARTIN: THAT'S CORRECT.

14 CHAIRMAN JUELSGAARD: WHAT IS THE
15 REGENERATIVE MEDICINE FORUM?

16 DR. MILLS: SO THE BEST I CAN TELL IT'S
17 ANOTHER ONE OF THESE CONFERENCE MEMBERSHIP PARTNER
18 THINGS WHERE WE CAN JOIN IN WITH OTHER GROUPS AND
19 ASK THEM TO HOLD A FORUM THAT INCLUDES TOPICS THAT
20 ARE OF INTEREST TO US.

21 CHAIRMAN JUELSGAARD: OKAY.

22 DR. MILLS: I GET THAT RIGHT?

23 CHAIRMAN JUELSGAARD: I APPRECIATE THIS
24 HAS NOT BEEN EASY COMING IN AND ALL THE STUFF THAT'S
25 GOING ON AND THERE MAY BE, I UNDERSTAND AS WELL,

BARRISTERS' REPORTING SERVICE

1 MIGHT BE SOME FUTURE REFINEMENT IN THE COMING YEARS.
2 ALL RIGHT. THOSE ARE MY QUESTIONS. SO SENATOR
3 TORRES.

4 MR. TORRES: YES. THANK YOU FOR THE WORK
5 THAT STAFF HAS DONE, CHILA AND OTHERS. AND I JUST
6 WANT TO COMMEND THE PRESIDENT FOR COMING IN AND
7 REALLY TAKING A HARD LOOK AT COSTS BECAUSE THAT'S
8 BEEN A THEME THAT I'VE BEEN ON FOR FIVE YEARS HERE
9 IN TERMS OF HOW DO WE REDUCE COST. AND I NEVER
10 UNDERSTOOD WHY WE HAD SO MANY OUTSIDE CONSULTANTS TO
11 WRITE WHITE PAPERS, BROWN PAPERS, YELLOW PAPERS THAT
12 REALLY DIDN'T PRODUCE MUCH. AND I WAS ONE CRITIC OF
13 THE IOM REPORT BECAUSE OF THEIR REFERENCE TO PATIENT
14 ADVOCATES BEING ON THE BOARD AND CHANGING THINGS
15 WHICH WE COULDN'T CHANGE AND YET WE PAID 700,000 FOR
16 THAT REPORT TO GIVE US WHAT ESSENTIALLY WAS, AS JEFF
17 APTLY SAID, PUNTING TO A SCIENTIFIC ADVISORY BOARD.

18 BUT I UNDERSTAND WE ALSO HAVE AN INDUSTRY
19 ADVISORY BOARD. IS THAT STILL IN OPERATION?

20 MS. BAUM: I CAN SPEAK TO THAT. WE NEVER
21 REALLY EVEN HAD A LINE ITEM AND CAME AND MAYBE A
22 SMALL DINNER INTERNALLY AND LARGELY OPERATION.

23 CHAIRMAN JUELSGAARD: I JUST REMEMBER
24 THERE WAS ONE MEETING AS I RECALL.

25 MR. TORRES: WELL, YOU WERE AT IT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN JUELSGAARD: JOHN BOWEN WAS HERE.

2 CHAIRMAN THOMAS: JOHN WALKER.

3 CHAIRMAN JUELSGAARD: THERE WERE A FEW
4 PEOPLE HERE, BUT I THINK THAT'S BEEN THE ONLY
5 INDUSTRY ADVISORY BOARD THAT I'M AWARE OF, AND THAT
6 WAS AT LEAST A COUPLE YEARS AGO NOW.

7 MS. BAUM: THERE WAS MORE THAN ONE
8 MEETING. THERE WAS PROBABLY FOUR MEETINGS, BUT THEY
9 DIDN'T RISE TO THE LEVEL OF A BUDGET ITEM.

10 MR. TORRES: THE OTHER PET PEEVE I'VE HAD
11 SINCE I ARRIVED HERE IS THE COST OF TRAVEL. AND I
12 JUST STILL THINK WE NEED TO LOOK CAREFULLY AT WHERE
13 PEOPLE ARE TRAVELING, HOW MANY PEOPLE ARE TRAVELING.
14 IT'S NOT A PRIVATE CORPORATION. WE'RE A STATE
15 AGENCY. AND I THINK THAT WE NEED TO BE MUCH MORE
16 VIGILANT ABOUT HOW WE MONITOR OUR TRAVEL EXPENSES.

17 AND, AGAIN, I JUST WANT TO THANK YOU, MR.
18 PRESIDENT, FOR PROVIDING SOME REFRESHING IDEAS AND
19 SOME REFRESHING CUTBACKS BECAUSE I KNOW THE GOVERNOR
20 WILL APPRECIATE THAT AS WELL. THANK YOU.

21 DR. MILLS: SO CAN I JUST COMMENT ON
22 SPENDING ALL THE MONEY ON ALL THESE DIFFERENT
23 PLACES? I BELIEVE IN BEING FISCALLY RESPONSIBLE
24 ABOUT THIS; BUT, AGAIN, I WOULD SPEND INORDINATE
25 SUMS OF MONEY TO GET PROGRESS. IF I COULD ASSUREDLY

BARRISTERS' REPORTING SERVICE

1 MOVE SOMETHING ALONG FASTER AND BETTER, YOU'D SEE ME
2 COMING TO REQUEST TO DOUBLE THIS IF IT WOULD DO IT.
3 OKAY. AND SO THAT'S ONE THING.

4 WITH REGARDS TO SOME OF THESE CUTS, A LOT
5 OF THEM CENTER AROUND, YOU'RE GOING TO HEAR ME TALK
6 ABOUT THIS LIKE A BROKEN RECORD, AND IT'S GOING TO
7 BE ALMOST TO THE POINT OF IT'S GOING TO BE
8 NAUSEATING, BUT I'M A VERY BIG BELIEVER IN VERY
9 CLEAR DIRECTION. I'M GOING TO SPEED UP TREATMENTS
10 TO PATIENTS, GOING TO INCREASE THE LIKELIHOOD OF
11 SUCCESS THAT THOSE TREATMENTS REACH PATIENTS. OKAY.

12 ONE OF THE GREAT BENEFITS OF HAVING CLEAR
13 DIRECTION, NOT ONLY DOES IT UNIFY EVERYBODY ON WHAT
14 THEY'RE WORKING ON, BUT THE OTHER SIDE OF FOCUS IS
15 WHAT YOU ARE WORKING ON, BUT THE COUNTER PARTY TO
16 FOCUS IS WHAT YOU'RE NOT WORKING ON. AND SO AS
17 THINGS START GETTING LINE-ITEMMED OUT AND AS THINGS
18 START GETTING CUT BECAUSE WE'RE FOCUSING ON WHAT WE
19 REALLY, REALLY WANT, WE ALSO FREE UP CAPACITY. NOT
20 JUST MONEY. WE FREE UP HUMAN CAPACITY TO GET THE
21 THINGS WE WANT DONE DONE.

22 AND SO ONE OF THE REASONS I'M DRIVING THIS
23 POINT HOME ABOUT FASTER TREATMENTS TO PATIENTS, MORE
24 LIKELIHOOD OF SUCCESS WITH PATIENTS IS IF THAT WERE
25 ALL WE DID AND IT WAS SUCCESSFUL, WOULD WE BE HAPPY?

BARRISTERS' REPORTING SERVICE

1 OR WOULD WE BE UPSET BECAUSE WE DIDN'T BUILD ANOTHER
2 BUILDING SOMEWHERE AND SOMEBODY WANTED A BUILDING?

3 SO FOR ME, IF WE'RE ALL AGREED ON TREATING
4 PATIENTS FASTER WITH GREATER LIKELIHOOD OF SUCCESS,
5 THEN WE NEED TO FOCUS ON IT AND RUN. THAT'S ANOTHER
6 REASON WHY YOU SEE LINE ITEM THINGS CUT OUT BECAUSE
7 THEY REPRESENT MONEY, BUT THEY ALSO REPRESENT
8 DISTRACTION.

9 CHAIRMAN JUELSGAARD: I, FOR ONE,
10 COMPLETELY AGREE WITH THE WAY YOU'RE APPROACHING
11 THIS. AND I'LL JUST SPEAK PUBLICLY ABOUT THAT FOR A
12 MOMENT.

13 YOU KNOW, I THOUGHT YOUR ANALOGY AT THE
14 LAST ICOC ABOUT JOHN F. KENNEDY AND INDICATING WE'RE
15 GOING TO -- WE HAD A VERY SPECIFIC TARGET IN MIND.
16 GET TO THE MOON, HAVE A MAN ON THE MOON BY DATE X OR
17 WHATEVER. SO WE HAD A REAL TARGETED PHILOSOPHY ON
18 THIS GRAND ENTERPRISE, AND IT WASN'T ABOUT TRYING TO
19 IMPROVE THE KNOWLEDGE ABOUT SPACE, BUT REALLY DOING
20 SOMETHING LIKE THAT. AND I THINK THAT'S ONE OF THE
21 THINGS THAT WE NEED TO FOCUS MORE ON.

22 IT'S NOT ABOUT EXPANDING THE UNIVERSE, FOR
23 ME ANYWAY, OF SCIENCE IN THE STEM CELL AREA. YES,
24 THERE'S SOME OF THAT. THERE ALWAYS WILL HAVE TO BE
25 SOME OF THAT TO SUPPORT OUR MAIN MISSION, BUT RIGHT

BARRISTERS' REPORTING SERVICE

1 NOW I THINK OUR MAIN MISSION IS REALLY TRYING TO SEE
2 IF WE CAN BRING THERAPIES TO PEOPLE WHO NEED THEM
3 WHERE NONE EXIST. SO I'M VERY MUCH IN AGREEMENT
4 WITH THAT AND THAT WAY OF FOCUSING, AND I THINK
5 THAT'S SOMETHING THAT WE NEEDED TO DO FOR SOME TIME.

6 DR. MILLS: BY THE WAY, ALL THAT OTHER
7 ANCILLARY EXPAND THE KNOWLEDGE ALWAYS COMES WHEN YOU
8 ACHIEVE YOUR MISSION. WE LEARNED AN INFINITE AMOUNT
9 OF THINGS ABOUT TELECOMMUNICATIONS AND SPACE AND
10 PHYSICS AND BLAH, BLAH WHEN WE WENT TO THE MOON, BUT
11 THAT WAS OUR MISSION AND THOSE THINGS FELL OUT OF IT
12 VERSUS WE WANT TO UNDERSTAND TELECOMMUNICATIONS.
13 AND HOPEFULLY WE GET TO THEM.

14 CHAIRMAN JUELSGAARD: ARE THERE OTHER
15 QUESTIONS? OS, DO YOU HAVE ANY?

16 DR. STEWARD: NO. IT'S BEEN, I THINK, A
17 VERY USEFUL DISCUSSION. OBVIOUSLY GOOD TO HAVE SOME
18 ADJUSTMENTS IN THE BUDGET IN THE WAY INDICATED. AND
19 I THINK THAT A LOT OF THINGS WE'LL HAVE TO LOOK AT
20 GOING FORWARD WITH REGARD TO COMPLIANCE WITH PROP
21 71. I THINK THAT'S THE MAIN THING THAT WE NEED TO
22 KEEP IN MIND AS WE LOOK AT THIS SORT OF
23 RESTRUCTURING AND VISION AND SO FORTH. THANK YOU.

24 CHAIRMAN JUELSGAARD: SURE. JEFF, YOU
25 HAVE ANY QUESTIONS?

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: WELL, JUST I'M TRYING TO
2 REMEMBER WHAT ISSUES I RAISED THE LAST TIME.

3 CHAIRMAN JUELSGAARD: ONE WAS ABOUT THE
4 TIMING OF SALARY INCREASES.

5 MR. SHEEHY: SO WHAT WAS THE RESOLUTION ON
6 THAT?

7 DR. MILLS: WE DO THE REVIEWS IN NOVEMBER.

8 CHAIRMAN JUELSGAARD: YOU'RE GOING TO
9 DEFER THAT TILL NOVEMBER.

10 MR. SHEEHY: AND THEN THE OTHER ISSUE I
11 HAD, IF I REMEMBER CORRECTLY, WAS THE SEPARATION OF
12 BUSINESS DEVELOPMENT COST.

13 CHAIRMAN JUELSGAARD: EXACTLY, RIGHT.

14 MR. SHEEHY: FROM LEGAL. I NOTICE THAT
15 THAT'S HAPPENED IN THIS BUDGET.

16 CHAIRMAN JUELSGAARD: RETROSPECTIVELY.

17 MR. SHEEHY: BUT I THINK THAT WE'LL HEAR
18 FROM MR. JENSEN BEFORE TOO LONG.

19 CHAIRMAN JUELSGAARD: HE HAD ASKED ABOUT
20 THAT AT THE LAST ICOC MEETING, AND I HAD ASKED CHILA
21 TO LOOK BACKWARDS AND RECONCILE WHAT WE HAD SPENT
22 THAT WAS ACTUALLY MORE ATTRIBUTABLE TO BUSINESS
23 DEVELOPMENT THAN TO LEGAL AND JUST TO OUTLINE THAT
24 FOR US.

25 MS. SILVA-MARTIN: SURE. AND WE DID THAT.

BARRISTERS' REPORTING SERVICE

1 WE WENT THROUGH EXPENDITURES OVER THE LAST THREE
2 YEARS AND IDENTIFIED ABOUT \$21,000 IN THE '12-'13
3 FISCAL YEAR THAT WE FELT WERE BETTER SUITED TO BE
4 CHARGED AGAINST BUSINESS DEVELOPMENT. AND SO WE
5 HAVE MOVED THOSE COSTS, AND THEY WERE SUCH THINGS AS
6 WE HELD A WORKSHOP, WE PAID FOR AN EVENTS ANALYZER
7 SOFTWARE, AND THEN THE PERSONALIZED MEDICINE
8 EXPENDITURE. SO THOSE COSTS WERE ABOUT \$21,000.
9 THEY ARE BEING, AS I SPEAK, MOVED OVER TO BUSINESS
10 DEVELOPMENT.

11 AND IN THE CURRENT YEAR REALLY WE HAD
12 CAPTURED THE MAJORITY OF THE COSTS. THERE WAS ONE
13 ITEM THAT WAS EXPENDED FOR ABOUT \$2,000 THAT WE ALSO
14 MOVED, BUT OTHERWISE WE HAVE SHOWN EVERYTHING IN
15 BUSINESS DEVELOPMENT THROUGH THE NEXT FISCAL YEAR.

16 CHAIRMAN JUELSGAARD: GREAT.

17 MS. SILVA-MARTIN: AND FOR THE '14-'15
18 FISCAL YEAR, THERE WILL BE A SEPARATE BUDGET AS YOU
19 SEE THERE BECAUSE FOR THE '13-'14 FISCAL YEAR
20 THEY'RE UNDER THE FINANCE AND OPERATIONS, WHICH
21 TRULY DOESN'T GO THERE, BUT WE FELT THE BUDGET, WE
22 CHARGED THE GENERAL EXPENDITURES FOR THIS. GOING
23 FORWARD IT WILL HAVE ITS OWN BUDGET.

24 MR. SHEEHY: THANK YOU. AND I'D JUST LIKE
25 TO ADD MY COMMENTS TO STEVE IN SUPPORT OF THE VISION

BARRISTERS' REPORTING SERVICE

1 THAT DR. MILLS HAS ARTICULATED FOR THE AGENCY. I'M
2 A THOUSAND PERCENT IN SUPPORT.

3 CHAIRMAN THOMAS: MR. CHAIRMAN --

4 CHAIRMAN JUELSGAARD: YES.

5 CHAIRMAN THOMAS: -- I WOULD LIKE TO ECHO
6 BOTH YOUR COMMENTS AND THE COMMENTS ABOUT HOW
7 HELPFUL THIS HAS BEEN AND THE PRUDENCE OF PUTTING
8 OFF VOTING ON THE BUDGET UNTIL RANDY HAD A CHANCE TO
9 TAKE A GOOD LOOK AT IT, UNDERSTANDING THAT THERE'S
10 STILL LOTS OF THINGS HE NEEDS TO GET UP TO SPEED ON.
11 BEEN HERE AT LEAST SIX DAYS.

12 MY ONE QUESTION IS, CHILA, ON THE EMPLOYEE
13 EXPENSES, IT SAYS NO CHANGE. EVERY YEAR BEFORE WE
14 DO A RETROSPECTIVE, AT LEAST EVERY YEAR I'VE BEEN
15 HERE, THE EMPLOYEE EXPENSES HAVE BEEN LESS THAN WHAT
16 WE BUDGETED LARGELY DUE TO UNFILLED POSITIONS OR
17 WHATEVER. AND WE ARE GOING TO HAVE SOME POSITIONS
18 THAT FALL INTO THAT CATEGORY HERE, AND I THINK IT
19 WOULD BE HELPFUL FOR THE SUBCOMMITTEE, CERTAINLY NOT
20 RISING TO THE LEVEL OF REPORTING AT A SUBCOMMITTEE
21 MEETING, BUT JUST TO KEEP US APPRISED OF AS EMPLOYEE
22 EXPENSE NUMBERS CHANGE OVER THE COURSE OF THE YEAR,
23 JUST TO LET US KNOW WHAT THOSE ARE.

24 MS. SILVA-MARTIN: ABSOLUTELY. I'LL BE
25 HAPPY TO DO THAT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: OKAY. THANK YOU. THAT
2 WAS MY ONE ADDITIONAL COMMENT, MR. CHAIRMAN.

3 CHAIRMAN JUELSGAARD: ARE THERE ANY OTHER
4 COMMENTS FROM ANY MEMBERS OF THE SUBCOMMITTEE? IF
5 NOT, ARE THERE ANY COMMENTS FROM ANY MEMBERS OF THE
6 PUBLIC? IS THERE A MOTION THAT WE RECOMMEND THIS
7 BUDGET TO THE ICOC?

8 MR. TORRES: SO MOVED.

9 MR. SHEEHY: SECOND.

10 CHAIRMAN JUELSGAARD: IT'S BEEN MOVED AND
11 SECONDED THAT WE RECOMMEND THE APPROVAL OF THIS
12 BUDGET BY THE ICOC. IS THERE ANY DISCUSSION ON
13 THAT? SEEING NONE, THEN ROLL CALL VOTE.

14 MS. BONNEVILLE: STEVE JUELSGAARD.

15 CHAIRMAN JUELSGAARD: YES.

16 MS. BONNEVILLE: JEFF SHEEHY.

17 MR. SHEEHY: YES.

18 MS. BONNEVILLE: OS STEWARD.

19 DR. STEWARD: YES.

20 MS. BONNEVILLE: JONATHAN THOMAS.

21 CHAIRMAN THOMAS: YES.

22 MS. BONNEVILLE: ART TORRES.

23 MR. TORRES: AYE.

24 MS. BONNEVILLE: DONNA WESTON.

25 CHAIRMAN JUELSGAARD: ALL RIGHT. MOTION

BARRISTERS' REPORTING SERVICE

1 WAS PASSED, SO WE WILL TAKE THIS UP AT THE ICOC
2 UPCOMING. THAT'S ON A TELEPHONIC CALL, I THINK, ON
3 THE 13TH; IS THAT RIGHT?

4 MS. BONNEVILLE: NEXT FRIDAY, YES. THREE
5 TO 4 P.M.

6 CHAIRMAN JUELSGAARD: A WEEK FROM
7 TOMORROW.

8 MS. BONNEVILLE: TOMORROW, YES.

9 CHAIRMAN JUELSGAARD: ARE THERE ANY OTHER
10 ITEMS OF BUSINESS WHICH NEED TO BE BROUGHT TO THE
11 FINANCE SUBCOMMITTEE'S ATTENTION THAT WEREN'T ON THE
12 AGENDA? THEN SEEING NONE, I CALL THIS MEETING
13 ADJOURNED.

14 CHAIRMAN THOMAS: WELL, DONE, MR.
15 CHAIRMAN.

16 MS. BONNEVILLE: THANK YOU.

17 (THE MEETING WAS THEN CONCLUDED AT
18 10:08 A.M.)

19
20
21
22
23
24
25

BARRISTERS' REPORTING SERVICE

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 TELEPHONIC PROCEEDINGS BEFORE THE FINANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD JUNE 5, 2014, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
BARRISTERS REPORTING SERVICE
160 S. OLD SPRINGS ROAD
SUITE 270
ANAHEIM, CALIFORNIA
(714) 444-4100