

BETH C. DRAIN, CA CSR NO. 7152

BEFORE THE
SCIENCE 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: MAY 9, 2022
11 A.M.

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

FILE NO.: 2022-17

**133 HENNA COURT, SANDPOINT, IDAHO 83864
208-920-3543 DRAIBE@HOTMAIL.COM**

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I N D E X

ITEM DESCRIPTION	PAGE NO.
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1. CALL TO ORDER	3
2. ROLL CALL	3
ACTION ITEMS	
3. CONSIDERATION OF CIRM RESEARCH BUDGET FOR FISCAL YEAR 2022-2023	4
DISCUSSION ITEMS	
4. PUBLIC COMMENT	NONE
5. ADJOURNMENT	24

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MAY 9, 2022; 11 A.M.

CHAIRMAN GOLDSTEIN: I'LL CALL THIS MEETING TO ORDER. MARIA, ROLL CALL.

MS. BONNEVILLE: GREAT. HAIFA ABDULHAQ. DEBORAH DEAS. MARK FISCHER-COLBRIE.

DR. FISCHER-COLBRIE: HERE.

MS. BONNEVILLE: ELENA FLOWERS.

DR. FLOWERS: PRESENT.

MS. BONNEVILLE: JUDY GASSON.

DR. GASSON: HERE.

MS. BONNEVILLE: LARRY GOLDSTEIN.

CHAIRMAN GOLDSTEIN: HERE.

MS. BONNEVILLE: DAVID HIGGINS. PAT LEVITT. DAVE MARTIN.

DR. MARTIN: HERE.

MS. BONNEVILLE: SHLOMO MELMED.

DR. MELMED: HERE.

MS. BONNEVILLE: CHRISTINE MIASKOWSKI.

DR. MIASKOWSKI: HERE.

MS. BONNEVILLE: JONATHAN THOMAS.

CHAIRMAN GOLDSTEIN: HERE.

MS. BONNEVILLE: ART TORRES.

MR. TORRES: HERE.

MS. BONNEVILLE: KAROL WATSON. KEITH

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1 YAMAMOTO.

2 DR. YAMAMOTO: HERE.

3 MS. BONNEVILLE: THANK YOU. WE DO HAVE A
4 QUORUM.

5 CHAIRMAN GOLDSTEIN: AHA. OKAY. WELL,
6 LET'S TRY TO KEEP IT. OKAY. WE HAVE ONE AND ONLY
7 ONE ITEM ON OUR AGENDA TODAY. IT'S CONSIDERATION OF
8 THE CIRM RESEARCH BUDGET FOR FISCAL YEAR 2022
9 THROUGH 2023. I'LL HAND IT OVER TO MARIA MILLAN.
10 MARIA, PLEASE.

11 DR. MILLAN: THANK YOU VERY MUCH. I'M
12 GOING TO HAND IT OFF TO OUR DIRECTOR OF FINANCE,
13 POUNEH SIMPSON, FOR THE PRESENTATION. DR.
14 GOLDSTEIN, THANK YOU.

15 MS. SIMPSON: GOOD MORNING, CHAIR,
16 MEMBERS. THANK YOU FOR HAVING ME TODAY. I'M POUNEH
17 SIMPSON, DIRECTOR OF FINANCE, AND I'LL BE PRESENTING
18 THE 22/23 RESEARCH BUDGET TODAY.

19 AS WITH ALL OF OUR PRESENTATIONS, I WILL
20 BE STARTING WITH OUR MISSION STATEMENT, WHICH IS
21 ACCELERATING WORLD-CLASS SCIENCE TO DELIVER
22 TRANSFORMATIVE REGENERATIVE MEDICINE TREATMENTS IN
23 AN EQUITABLE MANNER TO A DIVERSE CALIFORNIA AND
24 WORLD.

25 SO FIRST I JUST WANT TO GO OVER OUR

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1 AGENDA. I WILL BE PRESENTING THE 21/22 APPROVED
2 RESEARCH BUDGET THAT WE ARE IN NOW AND THEN THE
3 PROPOSED 22/23 RESEARCH BUDGET. I'LL TALK ABOUT
4 SOME OF THE MAJOR DRIVERS AND SOME OF THE FINANCIAL
5 CONSIDERATIONS FOR THE PROPOSED BUDGET.

6 SO STARTING WITH THE 21/22 APPROVED
7 BUDGET, I WILL START WITH THIS CHART THAT KIND OF
8 TELLS A STORY. IN THE SECOND COLUMN WE ARE
9 PRESENTING WHAT THE ICOC APPROVED FOR 21/22, A TOTAL
10 OF \$474.3 MILLION. NOW, WHAT'S HAPPENED SINCE JULY
11 IS BROKEN UP IN THE THIRD AND FOURTH COLUMN. AND WE
12 BROKE IT UP THIS WAY TO PROVIDE A LITTLE MORE
13 CLARITY ABOUT WHERE THINGS ARE AT.

14 IN THE THIRD COLUMN WE ARE SHOWING THE
15 COMMITMENTS THAT WILL TAKE PLACE BEFORE JUNE 30TH.
16 SO A TOTAL OF \$215.5 WHICH WILL BE COMMITTED BEFORE
17 JUNE 30TH.

18 IN THE FOURTH COLUMN WE ARE SHOWING THE
19 PENDING COMMITMENTS, BUT BASED ON THE 21/22 BUDGET.
20 SO \$178.2 MILLION WE ARE ANTICIPATING WILL BE
21 COMMITTED IN AUGUST, SEPTEMBER, AND OCTOBER, BUT
22 BASED ON THE 21/22 DRIVERS AND BUDGET.

23 FINALLY, IN THE NEXT COLUMN IS THE
24 COMBINED TOTAL OF ESTIMATED TO FINISH. SO WE ARE
25 ESTIMATING TO SPEND \$393.7 MILLION.

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1 AND IN THE LAST COLUMN WE ARE SHOWING THE
2 VARIANCE BETWEEN THE ESTIMATED TO FINISH BUDGET AND
3 THE ICOC APPROVED BUDGET, A VARIANCE OF \$80.58
4 MILLION.

5 SO IF THERE'S NO QUESTIONS, I'LL MOVE ON
6 TO THIS YEAR'S PROPOSED BUDGET.

7 SO FOR THE 22/23 FISCAL YEAR, THERE'S SOME
8 MAJOR DRIVERS FOR THE RESEARCH BUDGET. WE PLAN ON
9 HAVING 19 GWG REVIEWS ANTICIPATED IN THE 12-MONTH
10 PERIOD. WE WILL CONTINUE FUNDING THE DISCOVERY,
11 TRANSLATIONAL, AND CLINICAL PILLARS, AND CONTINUE
12 FUNDING CONFERENCE GRANTS UNDER THE EDUCATION
13 PILLAR. SHARED LABS AND MANUFACTURING NETWORK
14 PUBLIC PRIVATE PARTNERSHIP CONCEPTS WILL BE
15 PRESENTED IN 22/23.

16 SO JUST TO GO INTO A LITTLE BIT MORE
17 DETAIL, FOR THE CLINICAL BUDGET WE ESTIMATE THE
18 MAXIMUM NUMBER OF AWARDS FUNDED IN A YEAR TIMES THE
19 AVERAGE OF AWARD AMOUNT. SO YOU SEE IT BROKEN OUT
20 THERE FOR THE PROPOSED 22/23 BUDGET FOR CLIN.

21 FOR TRANSLATIONAL IT'S A LITTLE BIT
22 DIFFERENT. IT'S THE AVERAGE NUMBER OF AWARDS FUNDED
23 PER REVIEW TIMES THE NUMBER OF REVIEWS TIMES THE
24 AVERAGE AWARD AMOUNT FOR THE TOTAL THAT YOU SEE
25 BELOW.

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1 AND SAME FOR DISCOVERY. AND YOU WILL
2 NOTICE IN DISCOVERY WE ARE SHOWING DISC 0, WHICH IS
3 A NEW PROGRAM THAT WILL BE BROUGHT FORWARD IN 22/23
4 BASED ON THE APPROVED CONCEPT PLAN. AND EDUCATION
5 BUDGET WILL HAVE CONFERENCE GRANTS IN IT FOR 22/23.
6 AND FINALLY, INFRASTRUCTURE WILL HAVE SHARED
7 LABORATORY AND MANUFACTURING NETWORK CONCEPT, WHICH
8 WILL BE PRESENTED IN 22/23.

9 SO IN THE NEXT CHART IT SHOWS THE TOTAL
10 BUDGET BEING REQUESTED. BUT FIRST, I JUST WANTED TO
11 SHOW THE APPROVED BUDGET FIRST, THE ESTIMATED TO
12 FINISH TOTAL THAT I JUST PRESENTED BEFORE, AND THEN
13 IN THE FOURTH COLUMN THE PROPOSED BUDGET. SO WE ARE
14 REQUESTING \$426.7 MILLION, AND IT'S A VARIANCE OF AN
15 INCREASE OF 3.98 PERCENT OR \$33 MILLION COMPARED TO
16 THE ESTIMATED TO FINISH TOTAL.

17 AND I JUST WANT TO POINT OUT FOR
18 INFRASTRUCTURE, IN 21/22 THERE WAS 80 MILLION FOR
19 ALPHA CLINICS EXPANSION. IN 22/23 IT'S STILL \$80
20 MILLION, BUT JUST SO THAT THERE'S NO CONFUSION, THAT
21 80 MILLION IS FOR SHARED LABS AND MANUFACTURING
22 NETWORK CONCEPTS WHICH, AGAIN, WILL BE PRESENTED IN
23 22/23. A LITTLE BIT OF DIFFERENTIATION THERE.

24 BASICALLY THAT IS MY PRESENTATION. I'M
25 REQUESTING THAT YOU APPROVE THE CIRM BUDGET OF 426.7

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1 MILLION TODAY, BUT I'M GOING TO LEAVE IT ON THIS
2 CHART IN CASE YOU HAVE ANY QUESTIONS OR WANT TO
3 DISCUSS ANY FURTHER.

4 CHAIRMAN GOLDSTEIN: OKAY. QUESTIONS,
5 DISCUSSION, AND STATEMENT FROM THE COMMITTEE PLEASE.
6 OKAY. DAVID MARTIN.

7 DR. MARTIN: I SUSPECT I KNOW THE ANSWER
8 TO THIS SIMPLE QUESTION, BUT I PRESUME THAT THIS
9 BUDGET WAS ASSEMBLED BY THE STAFF WITH DELIBERATIONS
10 AND DISCUSSIONS, ET CETERA. SO THIS IS STAFF
11 GENERATED, I JUDGE; IS THAT CORRECT?

12 MS. SIMPSON: THAT'S ABSOLUTELY CORRECT.
13 THE DATA THAT BUILT THIS BUDGET WAS PROVIDED BY THE
14 TEAM BASED ON THE PERFORMANCE TO DATE OF OUR GRANTS.

15 DR. MARTIN: THANK YOU.

16 CHAIRMAN GOLDSTEIN: DAVID, YOU HAVE A
17 CONCERN ABOUT THAT? I MEAN WHERE IS THAT LEADING?

18 DR. MARTIN: NO, I DON'T HAVE A CONCERN
19 ABOUT IT. I JUST WANTED -- I HAVE A LOT OF
20 CONFIDENCE IN THE STAFF BECAUSE THEY HAVE PROVEN TO
21 BE SO EFFECTIVE, NOT ONLY IN BUDGETING, BUT
22 RECOMMENDING DECISIONS TO US, ET CETERA. AND SO
23 LONG AS THEY REALLY -- THIS HAS THEIR PARTICIPATION,
24 THEN I'M VERY HAPPY WITH IT, AND I THINK IT'S VERY
25 STRAIGHTFORWARD. I WANTED THAT -- I JUST WANTED TO

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1 HEAR THAT COMMITMENT.

2 CHAIRMAN GOLDSTEIN: NICE. I'LL BUILD ON
3 THAT. NICE WORK, CIRM STAFF.

4 DEBORAH DEAS, YOU HAVE YOUR HAND UP.

5 DR. DEAS: YES. JUST IN LOOKING AT THE
6 EDUCATION BUDGET, I WAS JUST CURIOUS AS TO WHY SUCH
7 A SMALL REQUEST THIS TIME. DID WE FULFILL
8 EVERYTHING IN OUR STRATEGIC PLAN ON EDUCATION?

9 MS. SIMPSON: SO WE HAD A VERY LARGE
10 COMMITMENT MADE IN 21/22. AND I WILL DEFER TO DR.
11 CANET-AVILES TO DISCUSS THE DETAILS OF THAT.

12 DR. CANET-AVILES: THANK YOU, POUNEH. SO,
13 YES, DURING 21/22 WE ACTUALLY RELEASED THE EDUC 4
14 TRAINING PROGRAM THAT WAS \$86 MILLION AND THEN WE
15 HAD A SUPPLEMENT FOR EDUC 3, THE SPARK PROGRAM, AND
16 THEN WE ALSO ADDED \$51 MILLION TO THE BRIDGES
17 PROGRAM, THE EDUC 2. THIS YEAR WE ARE GOING -- WE
18 ARE JUST NOW RECEIVING APPLICATIONS FOR THE EDUC 5
19 COMPASS THAT COULD BE CORRESPONDING TO THE \$58.2
20 MILLION, AND WE ARE BASICALLY SOLIDIFYING AND
21 RESTARTING ALL THE PROGRAMS. WE HAVE MADE AN
22 INVESTMENT, BUT ALL THESE PROGRAMS NEED TO BE
23 MANAGED AND DEVELOPED. SO WE ARE FOCUSING ON MAKING
24 SURE THAT THE ONES THAT WE RELEASED LAST YEAR AND
25 THE ONES THAT WE ARE DOING THIS YEAR AND ALSO WE ARE

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1 WORKING ON ANOTHER PROGRAM THAT HAVE NOTHING TO DO
2 WITH EDUCATION. BUT, YES, THAT'S THE FOCUS AND THE
3 REASON.

4 DR. DEAS: THANK YOU.

5 CHAIRMAN GOLDSTEIN: THANK YOU, ROSA.

6 ANYBODY ELSE? YES, J.T.

7 CHAIRMAN THOMAS: SO, POUNEH, COULD YOU GO
8 BACK A FEW SLIDES TO THE CURRENT YEAR? THAT ONE
9 RIGHT THERE. CAN YOU JUST EXPLAIN, JUST BECAUSE
10 IT'S A LITTLE CONFUSING, IN THE PENDING COMMITMENT
11 COLUMN, WHY THE NUMBERS THERE, WHICH AREN'T GOING TO
12 BE ACTUALLY APPROVED UNTIL THE NEXT FISCAL YEAR, ARE
13 ATTRIBUTED BACK TO THIS FISCAL YEAR?

14 MS. SIMPSON: SO PRIMARILY THE ICOC
15 APPROVED THE BUDGET FOR THESE PARTICULAR GRANTS IN
16 21/22. AND WE HAD ANTICIPATED HAVING THE ENTIRE
17 PROCESS GO THROUGH THIS FISCAL YEAR. BUT DUE TO
18 SOME DELAYS, JUST THE ICOC APPROVAL PORTION OR THE
19 ARS REVIEW GOT PUSHED INTO THE NEXT YEAR, BUT THE
20 CONCEPTS HAVE BEEN APPROVED THIS YEAR, THE FUNDING
21 HAS BEEN APPROVED THIS YEAR, AND WE WANTED TO
22 DISTINGUISH THAT FROM THE BUDGET WE ARE REQUESTING
23 NEXT YEAR.

24 CHAIRMAN THOMAS: THANK YOU. I JUST
25 WANTED YOU TO EXPLAIN THAT TO THE SUBCOMMITTEE

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1 BECAUSE IT'S A LITTLE CONFUSING WHEN YOU LOOK AT IT
2 FIRST BLUSH. SO THANKS.

3 CHAIRMAN GOLDSTEIN: THANK YOU, J.T.
4 THAT'S HELPFUL.

5 LET'S SEE. ANYBODY ELSE? OKAY. I GET
6 THE NEXT PART.

7 DR. MELMED: LARRY, I'M SORRY. I HAVE A
8 QUESTION.

9 CHAIRMAN GOLDSTEIN: YEAH. GO AHEAD.

10 DR. MELMED: I HESITATE TO BRING THIS UP,
11 BUT I READ THE BLOG THIS MORNING, THE OUTSIDE BLOG.
12 AND ARE STAFF PREPARED TO RESPOND PUBLICLY TO THE
13 NEGATIVE BLOG FROM THIS MORNING ABOUT OUR BUDGET?

14 MS. SIMPSON: I WOULD DEFER TO DR. MILLAN
15 ON THAT.

16 DR. MELMED: THE FACT THAT WE ARE NOT
17 SPENDING AND WE ARE ASKING FOR MORE MONEY EVEN
18 THOUGH WE HAVEN'T SPENT MONEY. I MEAN THIS IS A
19 PUBLIC PERCEPTION WHICH WE SHOULD BE PROACTIVELY
20 DISPELLING, AND THIS IS TRUE.

21 CHAIRMAN GOLDSTEIN: KEITH, DO YOU WANT TO
22 MAKE A POINT ABOUT SHLOMO'S QUESTION?

23 DR. YAMAMOTO: I WAS GOING TO ASK A
24 SIMILAR QUESTION KIND OF FROM A DIFFERENT ANGLE,
25 WHICH WAS JUST TO HAVE SOMEONE EXPAND A BIT ON WHY

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1 WE UNDERSPENT IN THOSE TWO AREAS, CLIN AND TRAN.
2 AND WAS IT BECAUSE WE DIDN'T HAVE SUFFICIENT NUMBERS
3 OF APPLICATIONS? SCIENCE WAS NOT JUDGED TO BE HIGH
4 ENOUGH QUALITY? SO MAYBE JUST TALK A BIT ABOUT THAT
5 BECAUSE THAT'S GOING TO BE HOW WE WOULD BE ABLE TO
6 RESPOND TO THE POINT THAT SHLOMO IS RAISING.

7 CHAIRMAN GOLDSTEIN: GREAT POINT.

8 DR. MELMED: BEFORE YOU RESPOND, I HIGHLY
9 CONCUR WITH THAT. THANK YOU, KEITH. I'M CONCERNED
10 THAT WE HAVE MORE MONEY THAN APPLICATIONS, AND I
11 THINK WHAT KEITH SAID IS IMPORTANT IN TERMS OF I
12 WOULD MUCH RATHER THE BOARD VOTE AN EXCEPTION TO
13 FUND SOMETHING GREAT THAN TO HAVE A SLUSH OF MONEY
14 LYING AROUND WHERE ANYTHING GOES. AND SO I WOULD
15 ALSO SPECIFICALLY ASK STAFF TO FOCUS ON THE QUALITY
16 ASPECTS OF KEITH'S QUESTION.

17 CHAIRMAN GOLDSTEIN: YEAH. MARIA MILLAN,
18 DO YOU WANT TO TAKE A CRACK AT THIS?

19 DR. MILLAN: ABSOLUTELY. I'M NOT
20 RESPONDING TO THE BLOG PARTICULARLY, BUT I THINK
21 VERY IMPORTANT POINTS THAT WERE MADE BY THE BOARD
22 MEMBERS.

23 POUNEH OUTLINED WHAT WE USE AS OUR
24 APPROACH TO BUDGETING. AND BY DESIGN IT IS INTENDED
25 TO PROVIDE FOR A BUDGET THAT WOULD ALLOW THE BOARD

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1 TO FUND ALL PROJECTS IF THEY MET THE QUALITY AND
2 RIGOR STANDARDS OF OUR GWG, ASSUMING THAT WE HAD THE
3 MAXIMUM PERFORMANCE FOR CLINICAL AWARDS AND AVERAGE
4 PERFORMANCE BASED ON BENCHMARK PAST PERFORMANCE.

5 AND SO IN THE PAST YEAR, THAT DEFINITELY
6 WAS AN OVERSHOOT IN THE RELAUNCH, AND ALSO WE ARE
7 ALSO IN THE MIDST OF INSTITUTING VARIOUS CONCEPT
8 CHANGES THAT THE BOARD RECENTLY APPROVED IN TERMS OF
9 EXPANDING SOME SCOPE AND THE TYPES OF AWARDS THAT
10 CAN BE BROUGHT IN. SO WE HAD DECIDED TO STAY WITH
11 THAT FORMULA. AND, OF COURSE, THE BOARD CAN ALWAYS
12 ASK OR THE COMMITTEE CAN ASK US TO CHANGE OUR
13 APPROACH, BUT WE DECIDED TO STAY WITH THAT APPROACH
14 BECAUSE WE DO EXPECT AN INCREASE IN APPLICATIONS
15 THAT WILL MEET KIND OF THE PROJECTIONS BASED ON PAST
16 PERFORMANCE.

17 THE REASON WHY WE WOULD EXPECT AN INCREASE
18 IS, NO. 1, THE INCREASE IN SCOPE INCLUDING GENE
19 THERAPIES AND GENETIC RESEARCH, THE EXPANDED SCOPE
20 THAT WAS BROUGHT TO THIS BOARD AND APPROVED.

21 SECONDLY, BASED ON WHAT WE ARE SEEING OUT
22 IN THE WORLD AS WE ARE BACK OUT THERE IN THE
23 CONFERENCES AND INTERACTIONS WITH POTENTIAL
24 INVESTIGATORS AND VERY PROMISING SCIENCE THAT'S OUT
25 THERE.

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1 AND, THIRDLY, THE WAY THINGS ARE GOING NOW
2 IN TERMS OF THE BIOPHARMA AND REGENERATIVE MEDICINE
3 MARKET RIGHT NOW, WHAT'S HAPPENING IS THERE'S A
4 READJUSTMENT, AND WE ARE SEEING THAT THE FUNDING FOR
5 VERY PROMISING PROGRAMS ARE NOT AS AVAILABLE AS THEY
6 HAVE BEEN BECAUSE ESSENTIALLY THERE WAS A PERCEIVED
7 OVERVALUATION OF THE MARKET AND NOW IT'S
8 READJUSTING. SO THERE WILL BE KIND OF A DEMAND FOR
9 TRANSLATIONAL, FOR INSTANCE, SPECIFICALLY FOR
10 TRANSLATIONAL AND CLINICAL PROGRAMS.

11 SO WE CAN, OF COURSE, ALWAYS ADJUST
12 ACCORDING TO THE BOARD'S RECOMMENDATION THAT WE
13 CHANGE OUR APPROACH TO THE FORECAST TO BE ON THE
14 MORE CONSERVATIVE SIDE, MEANING ASK FOR LESS. AND,
15 OF COURSE, IN THAT CASE, IF THERE ARE PROGRAMS THAT
16 ARE PROPOSED BY THE GWG AS HIGHLY MERITORIOUS AND
17 WORTHWHILE FUNDING AND WE DON'T HAVE THE FUNDS FOR
18 IT, THE BOARD CAN THEN DO THAT, BUT THAT WOULD
19 REQUIRE A PROCESS FOR BRINGING THE BOARD TOGETHER
20 AGAIN AND WOULD, THEREFORE, DELAY THE GRANTS FOR
21 THESE PROGRAMS THAT ARE CONSIDERED MERITORIOUS. SO
22 THAT'S ABSOLUTELY UP TO YOU, BUT I JUST WANTED TO
23 EXPLAIN THE PROCESS WE WENT THROUGH TO GET TO THIS
24 PROGRAM.

25 AS YOU CAN SEE, THE PROPOSED BUDGET FOR

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1 22/23 IS ACTUALLY LOWER THAN THE PROPOSED BUDGET FOR
2 21/22, BUT STILL, BASED ON A PROJECTION THAT'S
3 TAKING A MORE, I WOULD SAY, HEADING MORE TOWARDS
4 HAVING ENOUGH FUNDS RATHER THAN TRYING TO CONSERVE
5 BECAUSE WHEN FUNDS ARE NOT EXPENDED, THEY'RE NOT
6 LOST. THEY GO BACK INTO THE RESEARCH BUDGET SO THEY
7 CAN BE DEPLOYED FOR UPCOMING YEARS. AND SO THAT IS
8 SOMETHING THAT IT'S NOT AS IF WE NOW LOSE ACCESS TO
9 IT TO BE ABLE TO FUND THE PROGRAMS.

10 SO, DR. MELMED, IF YOU HAVE ANY OTHER
11 QUESTIONS, I JUST WANTED TO GIVE YOU KIND OF A
12 BACKGROUND FOR WHY WE CHOSE THIS APPROACH.

13 DR. MELMED: I UNDERSTAND, BUT I'M NOT
14 SURE I CONCUR, BUT I UNDERSTAND WHAT YOUR APPROACH
15 IS. I WOULD MUCH RATHER YOU CAME BACK TO THE BOARD
16 AND ASKED FOR MORE MONEY FOR A VERY HIGHLY
17 MERITORIOUS GRANT FOR WHICH THERE WAS NOT SUFFICIENT
18 MONEY. I'M VERY NERVOUS, NOT NERVOUS, I'M ANXIOUS
19 THAT THIS WILL GIVE THE PERCEPTION THAT THERE'S A
20 POT OF MONEY AND JUST STICK YOUR FINGER IN AND
21 YOU'LL GET IT.

22 DR. YAMAMOTO: IN THAT REGARD, CAN YOU SAY
23 SOMETHING ABOUT THE SUCCESS RATE APPLICATIONS IN THE
24 THREE PROGRAMS, THREE RESEARCH PROGRAMS? I'M SURE
25 YOU'RE TURNING AWAY SOME GRANT APPLICATIONS THAT

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1 COME IN THAT ARE NONMERITORIOUS. AND WHAT WE ARE
2 SAYING -- WHAT YOU'RE SAYING IS THAT YOU TRIED TO
3 SET THE BUDGET SO THAT YOU CAN FUND ALL MERITORIOUS
4 PROGRAMS. AND KIND OF A BAD OPTICS HERE IS THAT THE
5 IMPLICATION IS THAT THERE WEREN'T PROGRAMS THAT WERE
6 SUFFICIENTLY MERITORIOUS TO SPEND ALL THE MONEY THAT
7 WE SET. AND THAT WOULD BE AN ARGUMENT FOR TAKING
8 SHLOMO'S APPROACH OF HAVING TO GO BACK TO THE BOARD
9 AND SAY, "WE ARE OVERRUN WITH FANTASTIC PROGRAMS.
10 CAN WE HAVE SOME MORE MONEY?"

11 DR. MILLAN: DR. YAMAMOTO, THANK YOU FOR
12 THAT QUESTION. I'LL DEFER TO DR. SAMBRANO WHO'S ON
13 THE CALL TO TALK ABOUT WHAT THE PERFORMANCE HAS BEEN
14 IN TERMS OF THE NUMBER OF RECOMMENDED PROGRAMS
15 VERSUS WHAT COMES IN FOR THE VARIOUS PILLARS. WE DO
16 TAKE THAT INTO ACCOUNT. THAT IS PART OF WHAT WE USE
17 IN THE PROJECTIONS. AND IF WE SEE THAT THERE HAS
18 BEEN A TREND DOWN, WE ADJUST FOR THAT. BUT I'LL LET
19 DR. SAMBRANO SPEAK TO THAT.

20 BUT I WANTED TO SAY THAT THE GWG PROCESS
21 IS BY NATURE DESIGNED TO BE AN EXTREMELY RIGOROUS
22 PROCESS. IT IS NOT ADJUSTED BASED ON THE AMOUNT
23 THAT'S AVAILABLE. THE GWG IS INSTRUCTED TO PUT
24 THESE PROGRAMS THROUGH A VERY RIGOROUS PROCESS BASED
25 ON SCIENTIFIC MERIT AND ALL OF THE REVIEW CRITERIA

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1 THAT ARE OUTLINED. AND SO THAT'S INDEPENDENT OF HOW
2 MUCH IS AVAILABLE. SO THEIR RECOMMENDATIONS ARE NOT
3 ADJUSTED UPWARD OR DOWNWARD BASED ON AVAILABLE
4 FUNDS. I JUST WANTED TO MAKE THAT DISTINCTION.

5 SO THE REASON THAT WE TAKE THIS APPROACH
6 IS REALLY FOR THE BOARD. SO THE BOARD ALWAYS
7 HAS -- CAN ASK US TO CHANGE OUR APPROACH IN TERMS OF
8 HOW WE BUDGET FOR SURE. BUT JUST TO RESPOND BECAUSE
9 I DO WANT TO RESPOND TO THAT QUESTION, I THINK DR.
10 SAMBRANO IS ON AND HE CAN SPEAK TO WHAT THE
11 PERFORMANCE HAS BEEN OF THE VARIOUS PROGRAMS THAT
12 YOU SEE HERE. DR. SAMBRANO.

13 DR. SAMBRANO: I CAN GIVE YOU THE
14 APPROXIMATE PERCENTAGE SUCCESS RATE FOR EACH OF THE
15 PROGRAMS. SO FOR DISCOVERY, WE TEND TO GET A LOT OF
16 APPLICATIONS FOR THOSE ROUNDS. SO THE SUCCESS RATE
17 IS ABOUT 17 TO 18 PERCENT. FOR THE TRANSLATIONAL
18 PROGRAM, IT'S ABOUT 25 PERCENT. AND FOR THE
19 CLINICAL PROGRAM, IT'S ABOUT 50 PERCENT, USUALLY
20 REQUIRING MOST APPLICANTS THAT DO SUCCEED TO COME IN
21 WITH REVISED APPLICATIONS.

22 FOR EDUCATION, THE PERCENTAGE IS MUCH
23 HIGHER. IT CAN BE 80 TO 100 PERCENT JUST BECAUSE
24 THOSE PROGRAMS TEND TO HAVE MORE OF A GENEROUS
25 OVERALL BUDGET, AND THE NUMBER OF APPLICATIONS IS

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1 RELATIVELY LOW. SO THAT IS AN APPROXIMATION OF WHAT
2 WE HAVE.

3 CHAIRMAN GOLDSTEIN: I'LL JUST NOTE THAT
4 THIS IS -- IT'S DIFFERENT THAN THE NIH APPROACH
5 WHERE THEY FUND BASED ON HOW MUCH MONEY THEY HAVE
6 RATHER THAN ON TRYING TO MEASURE SOME ABSOLUTE LEVEL
7 OF QUALITY. THEY'RE DIFFERENT APPROACHES. IT SEEMS
8 TO ME THEY'RE BOTH MERITORIOUS. I DON'T KNOW THAT I
9 SEE A PROBLEM.

10 J.T., DO YOU WANT TO JOIN IN THIS DEBATE?

11 CHAIRMAN THOMAS: I JUST WANT TO RESPOND
12 TO SHLOMO'S POINT TO NOTE THAT THE FACT THAT WE HAVE
13 EXCESS AT THE END OF THE YEAR DOES NOT IN ANY WAY
14 MEAN WE ARE COMPROMISING A SINGLE IOTA ON QUALITY
15 WHEN IT COMES TO THE PROJECTS THAT EITHER -- THIS IS
16 FURTHER TO MARIA'S POINT -- EITHER THE GWG
17 RECOMMENDS OR THE BOARD APPROVES. YOU CAN GO BACK
18 OVER ANY YEAR WHERE WE HAD A SURPLUS AT THE END OF
19 THE YEAR, AND YOU WILL NOT FIND A PROJECT THAT WAS
20 RECOMMENDED AND APPROVED THAT BETWEEN THE GWG AND
21 THE BOARD WE DIDN'T THINK WAS HIGHLY MERITORIOUS.
22 SO I DON'T WANT ANYBODY TO GET THE IMPRESSION THAT
23 WE ARE COMPROMISING IN THE SLIGHTEST ON THE QUALITY
24 OF THE PROJECTS THAT WE ACTUALLY APPROVE.

25 AND IN POINT OF THE FACT, THE FACT THAT

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1 THERE IS A SURPLUS SPEAKS TO THAT POINT. WE ARE NOT
2 TRYING TO MANAGE TO WHAT WE BUDGETED HERE AT ALL.
3 IT'S A BIT OF AN INEXACT SCIENCE FOR THE TEAM TO
4 COME UP WITH THE NUMBER THAT IT'S PROPOSING, AND I
5 THINK THAT BY AND LARGE WE'VE DONE A VERY GOOD JOB.
6 AND YEAR TO YEAR THERE ARE DIFFERENT FACTORS THAT
7 ENTER INTO THE VARIANCE OF WHAT WAS APPROVED AND
8 WHAT WAS ACTUALLY SPENT. BUT, AGAIN, WE ARE NOT
9 SACRIFICING THE SLIGHTEST IN QUALITY. SO I DON'T
10 WANT ANYBODY TO GET THAT IMPRESSION THAT MIGHT BE
11 LISTENING.

12 DR. MELMED: J.T., WITH RESPECT, I
13 CERTAINLY GET THAT, AND I AGREE WITH YOU. I'M NOT
14 SAYING WE ARE SACRIFICING. I DON'T THINK WE ARE AT
15 ALL.

16 FOR EXAMPLE, WHEN WE GET PROPOSALS TO
17 APPROVE IN A CERTAIN CATEGORY, WE ARE ALWAYS TOLD
18 HOW MUCH MONEY IS AVAILABLE.

19 CHAIRMAN THOMAS: YES.

20 DR. MELMED: AND BY KNOWING THAT NUMBER,
21 HOW MUCH MONEY IS AVAILABLE, WE ARE SUBCONSCIOUSLY
22 SAYING, WELL, THERE IS MONEY, SO LET'S FUND ANOTHER
23 GRANT IF IT COMES UP ON THE BORDERLINE. IF WE NEVER
24 KNEW THAT THERE WAS MORE MONEY AVAILABLE, I DON'T
25 KNOW HOW THAT WOULD INFLUENCE OUR SUBJECTIVE

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1 THINKING. I JUST DON'T KNOW.

2 I THINK YOU'RE ABSOLUTELY RIGHT IN TERMS
3 OF QUALITY. I DON'T THINK WE ARE COMPROMISING
4 QUALITY; BUT TO KEITH'S POINT, THE OPTICS ARE THAT
5 WE HAVE MORE MONEY THAN WE ARE USING.

6 DR. YAMAMOTO: I THINK THE WAY THAT MARIA
7 AND J.T., BOTH OF YOU, HAVE ENUNCIATED THE KIND OF
8 RIGOR WITH WHICH THIS PROCESS IS CARRIED OUT, THE
9 STANDARDS THAT ARE SET AND MAINTAINED ALL THE WAY
10 THROUGH, AND THEN WHAT WE HEARD ABOUT THE SUCCESS
11 RATES OF THE PROGRAM WILL DEMONSTRATE TO THOSE WHO
12 HAVE QUESTIONS THAT WE ARE NOT SIMPLY
13 FUNDING -- PAYING OUT EVERY APPLICATION THAT COMES
14 IN THE DOOR, THAT WE ARE APPLYING THESE STANDARDS
15 AND WE ARE NOT GOING TO BE MOVED TO SUPPORT PROGRAMS
16 THAT DON'T HAVE -- THAT DON'T MEET THOSE STANDARDS.
17 I THINK THAT THAT'S ALL THAT REALLY NEEDS TO BE
18 SAID, DISSUADING PEOPLE OF THE IMPRESSION THAT WE'VE
19 GOT ALL THIS MONEY LYING AROUND AND WHOEVER SENDS IN
20 AN APPLICATION GETS MONEY. AND IT WILL BE EASY TO
21 MOVE THE NUMBERS THAT GIL GAVE US, RELEASE IT TO
22 KIND OF MAKE THE POINT THAT THAT'S NOT TRUE, THAT WE
23 SET STANDARDS AND MAINTAIN THEM. I THINK THAT'S
24 WHAT WE NEED TO BE ABLE TO SAY.

25 CHAIRMAN GOLDSTEIN: YEAH. I THINK THAT'S

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1 VERY SENSIBLE, KEITH. I'LL POINT OUT THAT WHICHEVER
2 APPROACH WE USE, WE WILL GET CRITICIZED FOR. SO WE
3 MIGHT AS WELL DO IT THE WAY IT'S GOING TO WORK BEST
4 FOR THE CITIZENS OF CALIFORNIA. MARIA HAS
5 ENUNCIATED VERY STRONG ARGUMENTS ABOUT WHY THIS IS A
6 GOOD APPROACH AS HAS J.T. I GUESS THE QUESTION IS
7 DO WE WANT TO MOVE TO A FULL-SCALE DEBATE ABOUT
8 THIS, OR ARE YOU COMFORTABLE, SHLOMO?

9 DR. MELMED: NO, I'M COMFORTABLE. I'VE
10 BEEN VERY REASSURED BY THE RESPONSES. THANK YOU.

11 CHAIRMAN GOLDSTEIN: ANYBODY ELSE WANT TO
12 WEIGH IN ON THIS TOPIC? OKAY. THAT DISCUSSION IS
13 OVER.

14 NEXT ITEM ON THE AGENDA IS PUBLIC COMMENT.
15 MARIA, IS THERE ANYBODY WHO'D LIKE TO WEIGH IN --

16 MS. BONNEVILLE: LARRY, WE NEED A MOTION
17 ON THE TABLE TO MOVE THIS TO THE BOARD FOR FINAL
18 ADOPTION.

19 CHAIRMAN GOLDSTEIN: OKAY. DO WE HAVE --

20 MR. TORRES: MOVE TO APPROVE.

21 DR. YAMAMOTO: SECOND.

22 CHAIRMAN GOLDSTEIN: OKAY.

23 MS. BONNEVILLE: IS THAT ART AND KEITH, I
24 BELIEVE?

25 MR. TORRES: YES.

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1 DR. YAMAMOTO: YES.

2 MS. BONNEVILLE: GREAT. THANK YOU.

3 CHAIRMAN GOLDSTEIN: NOW MAY I ASK FOR
4 PUBLIC COMMENT, MARIA?

5 MS. BONNEVILLE: IF THE BOARD HAS ANY
6 OTHER COMMENTS AND THEN PUBLIC COMMENT.

7 CHAIRMAN GOLDSTEIN: ANY OTHER COMMENTS
8 FROM THE BOARD? GOING ONCE, TWICE. OKAY. WE ARE
9 OUT OF THERE ON THE BOARD. NOW FOR PUBLIC COMMENT.
10 MARIA, IS THERE ANYBODY WHO WANTS TO WEIGH IN ON THE
11 PHONE?

12 MS. BONNEVILLE: THERE'S NO PUBLIC COMMENT
13 EITHER. THANK YOU.

14 CHAIRMAN GOLDSTEIN: I BELIEVE THAT WE ARE
15 READY FOR SOMEBODY TO MOVE TO ADJOURN. YOU'VE BEEN
16 VERY EFFICIENT, GUYS, WITH DISCUSSIONS AND EFFECTIVE
17 BUDGET.

18 MR. TORRES: HAVE WE CALLED THE ROLL ON
19 THE MOTION?

20 MS. BONNEVILLE: LARRY, WE SHOULD CALL TO
21 MOVE IT.

22 CHAIRMAN GOLDSTEIN: GREAT. YOU CAN SEE
23 THAT PARLIAMENTARY PROCEDURE IS SOMETHING I NEED TO
24 WORK ON.

25 MR. TORRES: AND THAT'S WHY I'M HERE,

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1 LARRY.

2 CHAIRMAN GOLDSTEIN: THANK YOU, ART.

3 DR. YAMAMOTO: AND THAT ACTUALLY SPEAKS
4 WELL FOR YOU, LARRY.

5 CHAIRMAN GOLDSTEIN: THANKS, KEITH. OKAY.
6 MARIA, CALL THE ROLL PLEASE --

7 MS. BONNEVILLE: HAIFA ABDULHAQ.

8 CHAIRMAN GOLDSTEIN: -- FOR A MOVEMENT TO
9 PASS THIS BUDGET, PLEASE VOTE.

10 MS. BONNEVILLE: DEBORAH DEAS.

11 DR. DEAS: YES.

12 MS. BONNEVILLE: MARK FISCHER-COLBRIE.

13 DR. FISCHER-COLBRIE: AYE.

14 MS. BONNEVILLE: ELENA FLOWERS.

15 DR. FLOWERS: YES.

16 MS. BONNEVILLE: JUDY GASSON.

17 DR. GASSON: YES.

18 MS. BONNEVILLE: LARRY GOLDSTEIN.

19 CHAIRMAN GOLDSTEIN: YES.

20 MS. BONNEVILLE: DAVID HIGGINS. PAT

21 LEVITT. DAVE MARTIN.

22 DR. MARTIN: YES.

23 MS. BONNEVILLE: SHLOMO MELMED.

24 DR. MELMED: YES.

25 MS. BONNEVILLE: CHRIS MIASKOWSKI.

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DR. MIASKOWSKI: YES.

MS. BONNEVILLE: JONATHAN THOMAS.

CHAIRMAN GOLDSTEIN: YES.

MS. BONNEVILLE: ART TORRES.

MR. TORRES: AYE.

MS. BONNEVILLE: KAROL WATSON. KEITH
YAMAMOTO.

DR. YAMAMOTO: YES.

MS. BONNEVILLE: THE MOTION CARRIES.

CHAIRMAN GOLDSTEIN: OKAY. LET'S SEE.
NOTHING ELSE ON THE AGENDA. CAN I USE THE -- MARIA,
MAY I USE THE ALREADY STATED MOVE TO ADJOURN?

MS. BONNEVILLE: YES. WE CAN JUST
ADJOURN. WE DON'T HAVE TO VOTE.

CHAIRMAN GOLDSTEIN: WE DON'T HAVE TO
VOTE. GOOD. ALL RIGHT, EVERYBODY.

MR. TORRES: TAKE CARE, EVERYONE.

CHAIRMAN GOLDSTEIN: THANKS FOR YOUR TIME.

MS. BONNEVILLE: THANKS, EVERYONE.

(THE MEETING WAS THEN CONCLUDED.)

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 SCIENCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON MAY 9, 2022, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
133 HENNA COURT
SANDPOINT, IDAHO
(208) 920-3543