

UNIVERSITY OF MINNESOTA

*Government and Community Relations
Office of the President*

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TO: Katie Elmore, Minnesota Legislative Reference Library

FROM: Keeya Steel, University of Minnesota Office of Government and Community Relations

DATE: January 13, 2017

RE: Regenerative Medicine Collaborative Partnership Mandated Report

Enclosed are two copies of the mandated report, Regenerative Medicine Collaborative Partnership, pursuant to 2014 Minnesota Laws Chapter 312 Article 1 Section 4 Subdivision 2.

This report can also be found online: <http://government-relations.umn.edu/state/legislative-materials>

If you have any questions regarding this report or to obtain additional copies, please contact the Office of Government and Community Relations at 612-626-9234.

cc: Senator Michelle Fischbach, Senate Higher Education Finance and Policy Chair
Senator Greg Clausen, Senate Higher Education Finance and Policy Ranking
Minority Member
Representative Bud Nornes, House Higher Education & Career Readiness Policy and
Finance Chair
Representative Gene Pelowski, House Higher Education & Career Readiness Policy and
Finance Ranking Minority Member
Senator Jeremy Miller, Senate Jobs and Economic Growth Finance and Policy Chair
Senator Bobby Joe Champion, Senate Jobs and Economic Growth Finance and Policy
Ranking Minority Member
Representative Pat Garofalo, House Job Growth and Energy Affordability Policy and
Finance Chair
Representative Karen Clark, House Job Growth and Energy Affordability Policy and
Finance Ranking Minority Member
Representative Tim Mahoney, House Job Growth and Energy Affordability Policy and
Finance Ranking Minority Member
Representative Jean Wagenius, House Job Growth and Energy Affordability Policy and
Finance Ranking Minority Member



January 4, 2017

MN Legislature

Chairs and Ranking Minority Members of Committees of Senate and House of Representatives
having Jurisdiction of Higher Education and Economic Development

Dear Senators and Representatives,

Per Chapter 312, Article 1, Section 4 of Laws of Minnesota 2014, please accept this as our first report on our Health Sciences Special funding for the Regenerative Medicine Minnesota (RMM) partnership. Included in this package you will find the required auditors' report on their review of the program. We have also included a one-page summary of awards made and expected total spending against those awards and a map showing the geographic location of the awards throughout the state of Minnesota.

The program is administered jointly by Dr. Jakub Tolar at the University of Minnesota and Dr. Andre Terzic at the Mayo Clinic, with input and oversight by a board including representation from biomedical industry, education, legislature, and clinical medicine. Administrative oversight is also provided by the University of Minnesota and Mayo Clinic, represented by our signatures below.

The Regenerative Medicine Minnesota program has been a resounding success to date. In the first two years of the program, 15 research programs have been funded that address critical health care needs such as heart disease, diabetes, Parkinson's disease, degenerative arthritis, blood cancers, ALS, and brain and spine injury. Additionally, 13 awards were made to small businesses for development of regenerative medicine infrastructure such as cell culture technologies, as well as for new technologies such as a system to support the growth of artificial lungs and development of a vascular graft that can grow with young heart patients and eliminate the need for repeated open-heart surgeries. In perhaps the most surprising success story of the program, awardees of education grants have independently developed a statewide cooperative network to develop and share regenerative medicine curriculum. As these programs in regenerative biology and medicine have spread across the state, they have opened new opportunities for students to become involved in the professions that will be needed to support regenerative medicine in the future. As students from Winona to the Bois Forte Reservation learn about regenerative medicine and take this information into their communities, they function as outreach for RMM. More information about all of these programs can be found at our award-winning website: www.regenmedmn.org.



Thank you for your support of the Regenerative Medicine Minnesota program. We look forward to a productive and exciting future for research in this arena.

Sincerely,

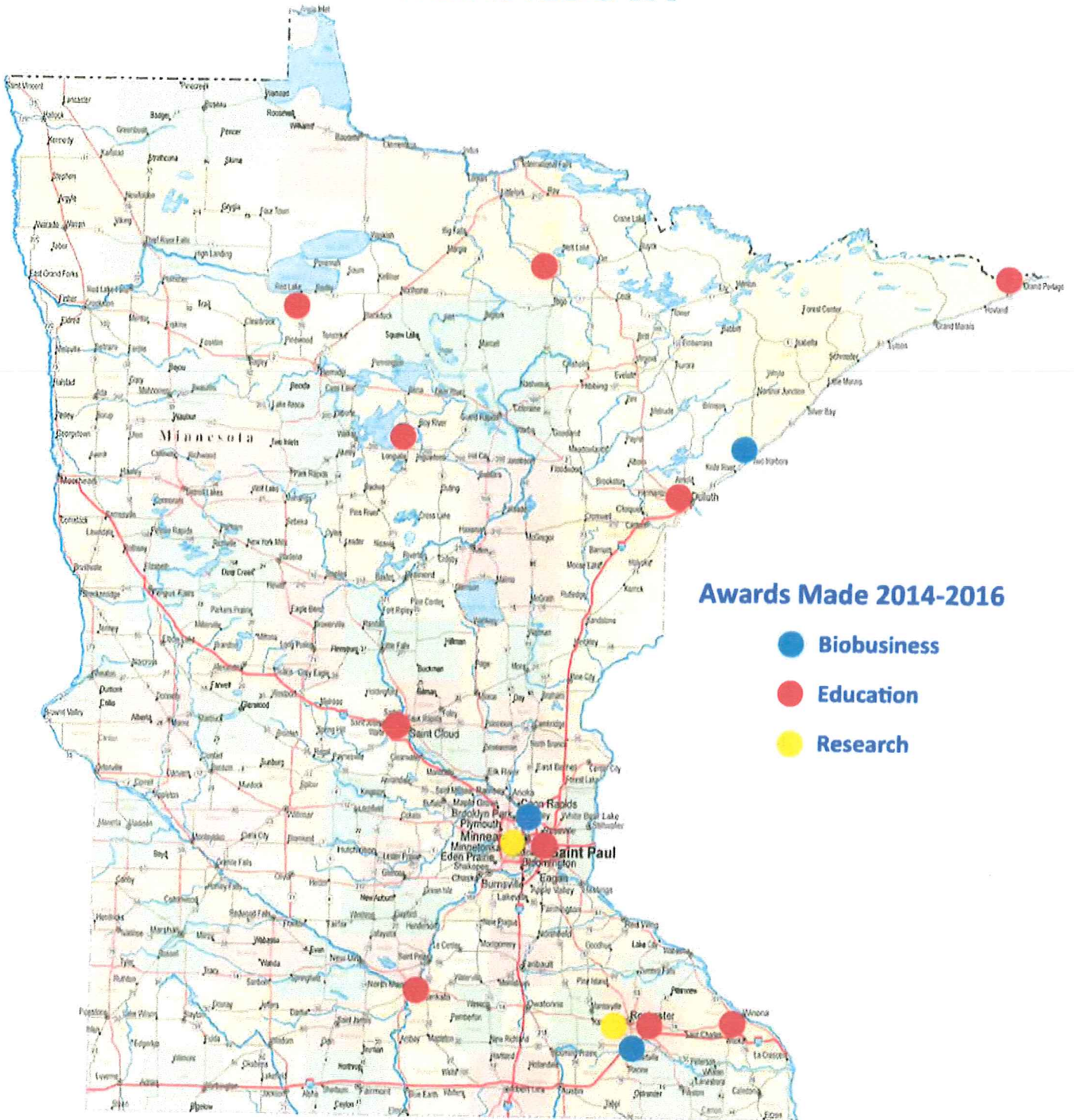
Dr. Brooks Jackson
VP for Health Sciences, University of MN

Dr. Gregory Gores
Executive Dean for Research, Mayo Clinic

c: Dr. Jakub Tolar
Dr. Andre Terzic
Rep. Erin Murphy
Sen. Cohen
Rep. Tony Albright



REGENERATIVE MEDICINE MINNESOTA



**Regenerative Medicine Minnesota
Awards Made Since Inception**

	Number of Awards	Dollars Awarded	Start Date	Award Term	Expended through 6/30/16	Encumbered		Projected Total Spending
						FY17 Spending	FY18 Spending	
FY15								
Research Grants	6	\$ 2,991,828	April - May 2015	2 years	\$ 1,198,680	1,543,829	249,319	2,991,828
Website Development & Maintenance	1	\$ 72,725	July 2015	1 year	\$ 71,928			71,928
Biotechnology/BioBusiness Grants	8	\$ 698,740	May 2015	12-15 months	\$ 616,333	82,407		698,740
Education Programs - Grades 3-12	5	\$ 50,000	May 2015	1 year	\$ 46,242			46,242
Education Programs - College	3	\$ 275,000	May 2015	14-16 months	\$ 106,299	168,701		275,000
Undergraduate Scholars	2	\$ 20,000	May 2015	1 year	\$ 20,626	(626)		20,000
Graduate Scholars	3	\$ 135,000	May - Aug 2015	1 year	\$ 92,851	42,149		135,000
Post-Doctoral Scholars	3	\$ 225,000	May 2015	1 year	\$ 175,513			175,513
Patient Care	1	\$ 25,000	May 2015	1 year	\$ 2,625			2,625
Total		\$ 4,493,293			\$ 2,331,097	\$ 1,836,460	\$ 249,319	\$ 4,416,876
Funding available	NOTE 1	\$ 4,500,000						
FY16								
Research Grants - Discovery Science	3	\$ 750,000	Feb - Apr 2016	2 years	\$ 75,340	375,000	299,660	750,000
Research Grants - Translational Science	3	\$ 750,000	Feb - Aug 2016	2 years	\$ 59,556	375,000	315,444	750,000
Clinical Trials	3	\$ 1,497,086	Mar - May 2016	2 years		748,543	748,543	1,497,086
Website Development & Maintenance	1	\$ 50,000	July 2015	1 year		50,000		50,000
Biotechnology/BioBusiness Grants	5	\$ 468,651	June - July 2016	1 year		468,651		468,651
Education Programs - Grades 3-12	9	\$ 138,968	June 2016	1 year		138,968		138,968
Education Programs - College	7	\$ 597,560	June - Sept 2016	1 year		478,048	119,512	597,560
Graduate Scholars	1	\$ 45,000	May 2016	1 year	\$ 2,476	42,524		45,000
Total		\$ 4,297,265			\$ 137,372	\$ 2,676,734	\$ 1,483,159	\$ 4,297,265
Funding available	NOTE 2	\$ 4,350,000						

NOTE 1 The remaining available balance of \$6,707 will be carried forward into future years to be used for new awards.

NOTE 2 The remaining available balance of \$52,735 will be carried forward into future years to be used for new awards.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Ms. Suzanne Paulson
University of Minnesota Controller's Office
206 WBOB
1300 S 2nd St.
Minneapolis, MN 55454

At your request, we have performed certain agreed-upon procedures, as enumerated below, with respect to the University of Minnesota's (the "University") and State of Minnesota's evaluation of the University's compliance with Chapter 312, Article 1, Section 4 of the Laws of Minnesota for the Mayo Partnership in Regenerative Medicine award expenditures for the period from July 1, 2014 to June 30, 2016. These procedures, which were agreed to by the University of Minnesota Controller's Office, were performed solely for this purpose. The University is responsible for compliance with the statute.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Agreed-Upon Procedures for the Statement

1. We obtained the Statement of Expenditures by Subrecipient (the "Statement") for the period from July 1, 2014 to June 30, 2016, and the Attachment of Subrecipients with Affiliations (the "Attachment") as prepared by management. The Attachment has been included as Exhibit A to this report.
2. We recalculated the total dollar amounts on the Statement and compared the amounts on each line on the Statement to the corresponding amounts on the reconciliation prepared by management between the University's general ledger and the amounts on the Statement, noting no exceptions.
3. We compared the dollar amounts on management's reconciliation to the University's general ledger and recalculated the total presented in the Statement, noting no exceptions.
4. We compared actual expenditures by project number on the Statement to the Budget Information section of the Notice of Grant Awarded (NoGA) to ensure total expenditures by project number did not exceed the approved budget limit, noting no exceptions.

5. We randomly selected 20% of the Principal Investigators (PI) affiliated with the University included within the Attachment and obtained the expenditure detail during the period from July 1, 2014 to June 30, 2016 from the Statement. We randomly selected 40 expenditure selections from the expenditure detail, and traced and agreed the amounts to the source documents, noting no exceptions.
6. We randomly selected 5 PIs whose affiliations were outside of the University included within the Attachment and obtained the subaward agreements to ensure appropriate approvals by the University and the sub-recipient, noting no exceptions.
7. We inquired of management regarding policies and procedures in place to monitor that awards are expended in accordance with Chapter 312, Article 1, Section 4 of the Laws of Minnesota to determine that these policies and procedures were appropriately applied, noting policies and procedures were in place and appropriately applied.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the University's compliance with Chapter 312, Article 1, Section 4 of the Laws of Minnesota for the Mayo Partnership in Regenerative Medicine award expenditures for the period from July 1, 2014 to June 30, 2016. Accordingly, we do not express such opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the University, the University's Board of Regents, and authorized representatives of the State of Minnesota, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

December 9, 2016

Exhibit A**Attachment of Subrecipients with Affiliations**
For the period from July 1, 2014 to June 30, 2016

<u>Recipient</u>	<u>Affiliation</u>
Blazer, Bruce	University of Minnesota
Bormann, Misun	*
Bradley, Elizabeth	Mayo Clinic
Burnett, John	Mayo Clinic
Campbell, Katherine	Mayo Clinic
Carlson, Daniel	*
Daughters, Randy	*
Dietz, Allan	*
Dutton, James	University of Minnesota
Ferrington, Deborah	University of Minnesota
Fife, Brian	University of Minnesota
Flatequal, Jessica	*
Garry, Daniel	University of Minnesota
Golden, Amanda	Mayo Clinic
Holst, Kimberly	Mayo Clinic
Huebert, Robert	Mayo Clinic
Jakub Tolar	University of Minnesota
Keirstead, Susan	University of Minnesota
Kosobuski, Anna - Wirta	University of Minnesota

<u>Recipient</u>	<u>Affiliation</u>
Kyba, Michael	University of Minnesota
Lee, Kendall	Mayo Clinic
Limberg, Tami	*
Lindborg / Brekke	*
Low, Walter	University of Minnesota
Lund, Troy	University of Minnesota
Marchant, Jonathan	University of Minnesota
Meredith, Leah	*
Metzger, Joe	University of Minnesota
Mueller, Kim	*
Naqwi/Mortari	*
Nellis, Robert	Mayo Clinic
Nelson, Matt	*
Nelson, Timothy	Mayo Clinic
Nyberg, Scott	Mayo Clinic
Ogle, Brenda	University of Minnesota
Osborn, Mark	University of Minnesota
Owen, Mary	University of Minnesota
Parr, Ann	University of Minnesota
Perlingeiro, Rita	University of Minnesota
Reinhart, Todd	*
Rice, Melinda	Mayo Clinic

<u>Recipient</u>	<u>Affiliation</u>
Savin, Laura	*
Staff, Nathan	Mayo Clinic
Sukasanpaison, Lukkana	*
Syedain, Zeeshan	University of Minnesota
Tranquillo, Robert	University of Minnesota
Vilendrer, Kent	*
Wagner, John	University of Minnesota
Walcheck, Bruce	University of Minnesota
Walker, Henry	Mayo Clinic
Wheelwright, Matthew	University of Minnesota
Wigle, Dennis	Mayo Clinic
Wilson, Tracy	*
Wyles, Saranya	Mayo Clinic
Zojonc, Stephanie	*

*Researcher is not affiliated with the University of Minnesota or Mayo Clinic