

Regenerative Medicine Minnesota Report to the Minnesota Legislature

January 15, 2021

Submitted by:

Board of Regents

Prepared by:

The report was prepared by staff in the Office of Academic Clinical Affairs with the assistance of staff in the Office Sponsored Financial Reporting at the University of Minnesota as well as Deloitte & Touche.

Report Preparation Costs:

Per the requirements set forth in Minnesota Statute 3.197, the cost to prepare this report was \$21,352.



January 5, 2021

Senator Tomassoni, Chair, Higher Education Finance and Policy
Senator Clausen, Ranking Minority Lead, Higher Education Finance and Policy
Representative Bernardy, Chair, Higher Education Finance and Policy
Representative Marion O'Neill, Ranking Minority Lead, Higher Education Finance and Policy

Senator Pratt, Chair, Jobs and Economic Growth Finance and Policy Committee
Senator Champion, Ranking Minority Lead, Jobs and Economic Growth Finance and Policy Committee
Representative Noor, Chair, Workforce and Business Development Finance & Policy
Representative Hamilton, Ranking Minority Lead, Workforce and Business Development Finance & Policy

Dear Legislators,

Per Chapter 312, Article 1, Section 4 of Laws of Minnesota 2014, please accept our report on 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.

RMM is administered jointly by Dr. Shernan Holtan at the University of Minnesota and Dr. André Terzic at the Mayo Clinic, with input and oversight by a board including representation from biomedical industry, education and clinical medicine.

In FYs19-20, RMM funded awards for 25 research projects to increase knowledge and advance regenerative medicine in areas such as spinal cord injury, sickle cell disease, muscular dystrophy, brain injury and diabetes. In addition, RMM funded awards for 13 bio-business projects. Funds were used to develop infrastructure to deliver regenerative medicine to Minnesotans including infrastructure for a first-in-human study for remission of HIV. More information about all of these programs are available on our website: www.regenmedmn.org.

Thank you for your support of Regenerative Medicine Minnesota. We look forward to a productive and exciting future as we work to improve the health of Minnesotans across the state.

Sincerely,

A handwritten signature in black ink that reads "TOLAR".

Jakub Tolar, MD, PhD
Vice President for Academic Clinical Affairs
University of Minnesota

A handwritten signature in black ink that reads "Gregory Gores".

Gregory Gores, MD
Executive Dean for Research
Mayo Clinic

cc: Shernan Holtan, MD
Andre Terzic, MD, PhD

Independent Accountant's Report on Applying Agreed-Upon Procedures

Management of the University of Minnesota
1300 South Second Street
Minneapolis, MN 55454

We have performed procedures enumerated below, which were agreed to by the University of Minnesota Controller's Office, on the University of Minnesota's (the "University") compliance with Chapter 69, Article 1, Section 5, Subd. 4 Special Appropriations, (e) University of Minnesota and Mayo Foundation Partnership of the Laws of Minnesota. The University of Minnesota Controller's Office is responsible for the University's compliance with Chapter 69, Article 1, Section 5, Subd. 4 Special Appropriations, (e) University of Minnesota and Mayo Foundation Partnership of the Laws of Minnesota. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

We obtained the Statement of Expenditures by Subrecipient (the "Statement") for the period from July 1, 2018 to June 30, 2020, and the Attachment of Subrecipients with Affiliations (the "Attachment") as prepared by management. The Attachment has been included as Exhibit A to this report.

1. 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.
2. 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.
3. We compared actual expenditures by project number to the Budget Information section of the Notice of Grant Awarded (NoGA) obtained from management. We noted no project numbers where total expenditures by project number exceeded the approved budget limit.
4. We randomly selected four of the Principal Investigators (PI) affiliated with the University from the Statement, which represented 20% of the total PIs and their related projects affiliated with the University, and obtained the expenditure detail for the selected PI's related project during the period from July 1, 2018 to June 30, 2020. We randomly selected 40 total expenditure selections from the expenditure detail, and traced and agreed the amounts to source documents, noting no exceptions.
5. We randomly selected five PIs whose affiliations are outside of the University from the Statement and obtained the subaward agreements from management. We inspected the subaward agreements for evidence of appropriate approvals by the University and the sub-recipient, noting no exceptions.
6. We obtained and documented an understanding of the University's policies and procedures in place to monitor that awards are expended in accordance with Chapter 69, Article 1, Section 5, Subd. 4 Special Appropriations, (e) University of Minnesota and Mayo Foundation

Partnership of the Laws of Minnesota, noting policies and procedures were in place and appropriately applied based on the understanding we obtained.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the University's compliance with Chapter 69, Article 1, Section 5, Subd. 4 Special Appropriations, (e) University of Minnesota and Mayo Foundation Partnership of the Laws of Minnesota. Accordingly, we do not express such an opinion or conclusion. 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

September 17, 2020

Attachment of Subrecipients with Affiliations

For the period from July 1, 2018 to June 30, 2020

<u>Recipient</u>	<u>Affiliation</u>
Alejandro, Emilyn	U of MN
Alonso-Camino, Vanessa	*
Asakura, Atsushi	U of MN
Athanasidou, Maria	*
Brataas, Anne	*
Burns, Terry	Mayo
Burton, Frank	*
Chan, Sunny	U of MN
Chefetz Menaker, Ilana	U of MN
Daughters, Randy	*
Davidow, Dominique	*
Devaux, Patricia	Mayo
Deyle, David	Mayo
Dragomir-Daescu, Dan	Mayo
Ferrington, Deborah	U of MN
Fife, Brian	U of MN
Finger, Erik	U of MN
Finnoff, Jonathan	Mayo
Gafni, Ohad	*
Griffiths, Leigh	Mayo
Hickson, LaTonya	Mayo
Horazdovsky, Bruce	Mayo
Hu, Wenqian	Mayo

<u>Recipient</u>	<u>Affiliation</u>
Jang, Mi-Hyeon	Mayo
LeBien, Tucker	U of MN
Montgomery, Jacob	U of MN
Moran, Steven	Mayo
Murphy, Richard	*
Naqwi, Amir	*
O'Brien, Timothy	*
Otto, Neil	*
Paule, Jill	*
Rodriguez-Porcel, Martin	Mayo
Roeser, Dave	*
Singh, Bhairab	U of MN
Smoot, Rory	Mayo
Steinborn-Gourley, Elizabeth	*
Sterner, Rosalie	Mayo
Syedain, Zeeshan	*
Taneja, Veena	Mayo
Tolar, Jakub	U of MN
Walsh, Patrick	*
Warrington, Arthur	Mayo
Wehde, Mark	Mayo
Wierson, Wesley	*
Wirta Kosobuski, Anna	U of MN
Wyles, Saranya	Mayo

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

**Regenerative Medicine Minnesota
Awards Made 7.1.18 - 6.30.20**

	Number of Awards	Dollars Awarded	Start Date	Award Term	Expended 7/1/18 through 6/30/20	Encumbered FY21 Spending	Encumbered FY22 Spending	Projected Total Spending
FY19								
Research Grants - Discovery Science	7	\$ 1,749,996	Mar - July 2019	2+ years	\$ 762,349	850,000	137,647	1,749,996
Research Grants - Translational Science	3	\$ 748,576	Mar - May 2019	2 years	\$ 313,154	435,422		748,576
Clinical Trials	1	\$ 500,000	March 2019	2.5 years	\$ 42,118	400,000	57,882	500,000
Biotechnology/BioBusiness Grants	8	\$ 736,939	May - Aug 2019	1 - 1.5 years	\$ 539,456	182,043		721,499
Education Programs - Grades 3-12*	14	\$ 212,195	May - Sept 2019	1 - 1.5 years	\$ 143,347	53,036		196,383
Education Programs - College*	1	\$ 75,000	May 2019	1 year	\$ 74,795			74,795
Graduate Scholars	2	\$ 150,000	May-June 2019	1.5 year	\$ 1,621	148,379		150,000
Outreach	1	\$ 50,000	July 2019	1 year	\$ 50,000			50,000
		\$ 4,222,706			\$ 1,926,840	\$ 2,068,880	\$ 195,529	\$ 4,191,249
Funding available	NOTE 1	\$ 4,350,000						
FY20								
Research Grants - Discovery Science	8	\$ 1,999,110	Mar-May 2020	2 years	\$ 59,160	1,000,000	939,950	1,999,110
Research Grants - Translational Science	5	\$ 1,250,000	Mar-May 2020	2 years	\$ 21,819	650,000	578,181	1,250,000
Biotechnology/BioBusiness Grants	5	\$ 496,700	May 2020	1 year	\$ 2,769	493,931		496,700
Outreach	1	\$ 50,000	July 2020	1 year		50,000		50,000
		\$ 3,795,810			\$ 83,748	\$ 2,193,931	\$ 1,518,131	\$ 3,795,810
Funding available	NOTE 1	\$ 4,350,000						

NOTE 1 Any remaining available balance will be carried forward into future years to be used for new awards.
*Education program grants were discontinued beginning with FY20 awards



Statewide distribution of grants 2014-2020

www.regenmedmn.org

