

**Proposed Operating Budget**  
**2006-2007**

**Background**

At the June 2, 2006 meeting of the ICOC, a two part budget proposal involving the first six months of 2006-07 was presented. However, no action could be taken because of the lack of a quorum.

Scenario 1 proposed to keep operations at a static level with no new science or grant program initiatives other than those already begun (Egg Donor Conference, Strategic Plan, etc). Scenario 2 proposed to increase staffing so that work could begin on several new science initiatives and grant programs (Innovation Grants, Facilities program, etc). Scenario 2 would have been made possible by the sale of \$36 million in BANS, in addition to the \$14 million already sold.

We proposed that CIRM be allowed to operate under Scenario 1 until the \$36 million in BANS were sold and then move to Scenario 2. We projected that CIRM could operate a Scenario 2 level budget through February or March of 2007, if we deferred substantial payments to Remcho, Johansen and Purcell, the Department of Justice and the State Controller's Office.

**Information**

Attachment I provides a full year 2006-2007 operations funding for CIRM in total and by cost center. It also provides a list of accomplishments that we believe we can achieve under this budget, including payment of all deferred expenditures. It is based on the six-month Scenario 2 proposal.

Attachment II provides a comparison between the available funding for all years of operation (including additional funding from the sale of BANS) and the actual expenditures for 2004-2005 and 2005-2006 and the proposed budget for 2006-2007.

This shows that we will be able to fully fund operations for the proposed 2006-2007 budget. The critical difference is the decision by the Governor to provide CIRM with a loan of \$150,000,000 from the General Fund. We are proposing to use \$1,400,000 of this to fully fund the full year of operations as outlined in this proposed budget (Note: Additional gifts – including the GALA – will reduce this amount).

**Recommendation**

The new General Fund loan presents us with an opportunity to expand the science and grant programs even more.

We are recommending that you approve the budget as proposed and that we prepare an expanded budget for your consideration at the next ICOC meeting.

**Attachment I**

**Proposed CIRM Budget  
7/1/2006 – 6/30/2007**

<b>Cost Category</b>	<b>Science Office</b>	<b>OOA</b>	<b>OOP</b>	<b>OOC</b>	<b>Total</b>
Personal Svs	\$ 709,756	\$ 548,222	\$1,282,313	\$ 918,663	\$3,458,954
Interagency					
Agreements		253,000	536,900		789,900
Ext. Contracts	704,111	31,280	733,100	45,000	1,513,491
ICOC Meet.				191,375	191,375
Sci. Meet.	352,000				352,000
WG-Grants	144,000				144,000
WG-STDS			94,068		94,068
WG-Facil.			55,600		55,600
Other Travel	32,500	3,000	14,000	37,000	86,500
Furn/Equip		184,000			184,000
Info. Tech.			108,600		108,600
Other OEE		250,000			250,000
<b>Total</b>	<b>\$1,942,367</b>	<b>\$1,269,502</b>	<b>\$2,824,581</b>	<b>\$1,192,038</b>	<b>\$7,228,288</b>

**Projected Major Accomplishments**

- Scientific Strategic Plan is completed and approved.
- Request for Proposal for Innovative Grants developed, issued and grants approved.
- First year of Training Grants ends and second year grants issued.
- Host an Annual Meeting for CIRM Scholars.
- Facilities Workgroup meets four times to develop policies for facilities grant program.
- Grants management technology system is fully operational.
- Egg Donor Conference is held.
- Hold a scientific meeting (subject to be determined) on the scale of the 10/05 meeting
- Co-Host the CIRM-United Kingdom Joint Workshop on Stem Cell Self-renewal and Differentiation.
- Complete work on and publish major regulation policies, including: Intellectual Property, Medical and Ethical Standards and Grants Administration Policy.
- Defend against appeals of the Superior Court decision on CIRM constitutionality.
- Chief, Communications is hired and a communications plan – consistent with the Scientific Strategic Plan – is developed.
- Hold twenty-seven meetings of the ICOC or its sub committees.
- Staffing increases to 25, including two positions for the Science Office, one position for facilities program and two for the Communications Office.

**Attachment II**

**Funding Status Report**

**Source of Funds**

General Fund Loan - Startup	\$ 3,000,000
Dolby Grant and Interest	5,073,716
BAN – General Administration	1,350,000
BAN – Grants Management	1,301,873
BAN – Grant Award Funds (Legal)	1,964,844
Gifts – Goldman	350,000
Robbins	50,000
New General Fund Loan	<u>1,400,000</u>
Total	\$14,490,433

**Use of Funds**

Funds Available	\$14,490,433
Less: Expenditures (11/2/04-6/30/05)	<u>2,569,000</u>
Balance	\$11,921,433
Less: Expenditures (7/1/05-6/30/06)	<u>4,517,074</u>
Balance	\$ 7,404,359
Less: Proposed (7/1/06-6/30/07)	<u>7,228,488</u>
Balance	\$ 175,871