

Real Life™

FY 23-24 Administration Budget

Pouneh Simpson

Senior Director of Finance

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OUR MISSION

Accelerating world class science to deliver transformative regenerative medicine treatments in an equitable manner to a diverse California and world



Prop 14 Overview

FY 22-23 Budget

Financial Results

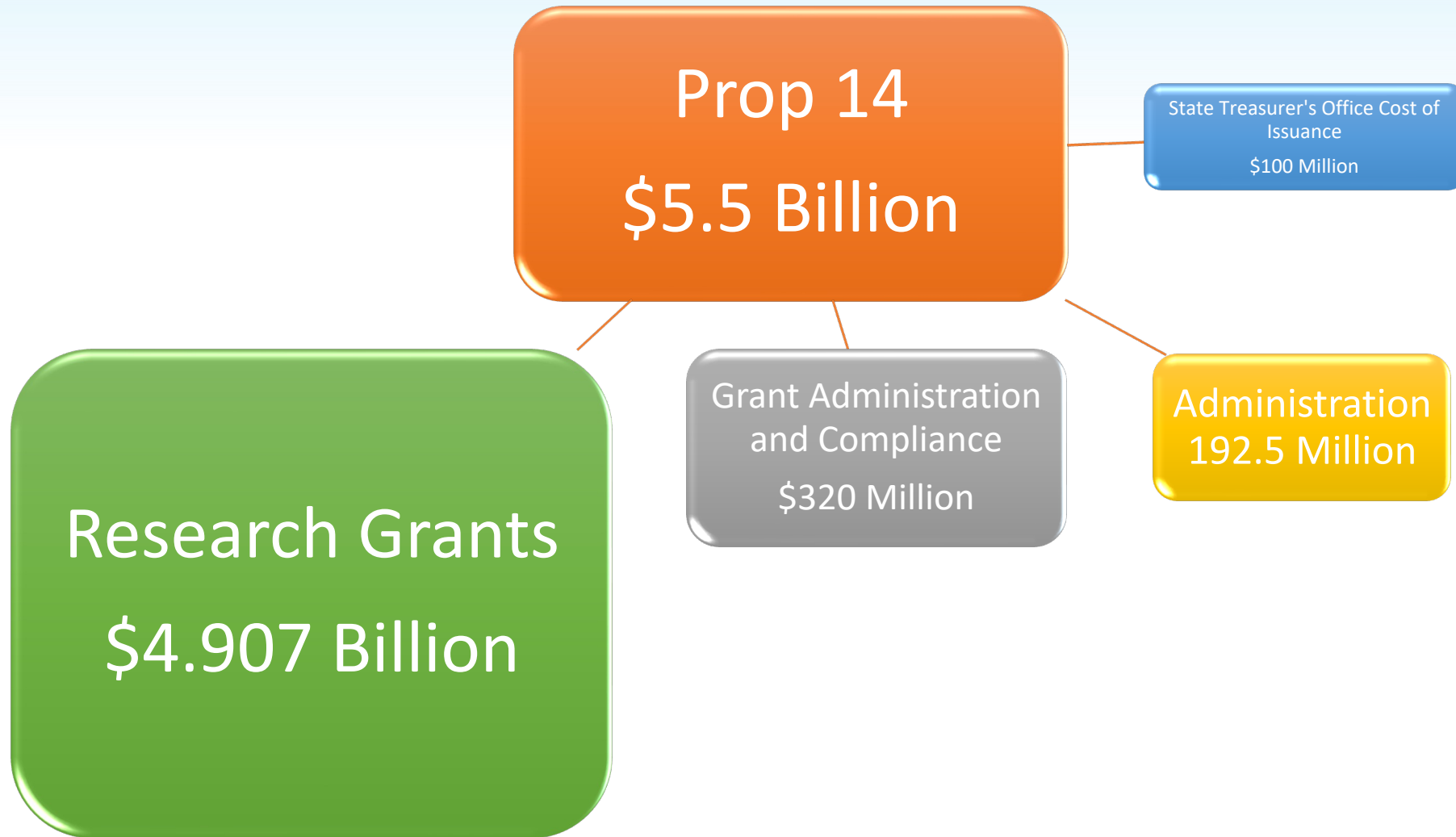
Major Drivers

FY 23-24 Proposed Budget

Major Drivers

Appendix

Department Level Budget Detail

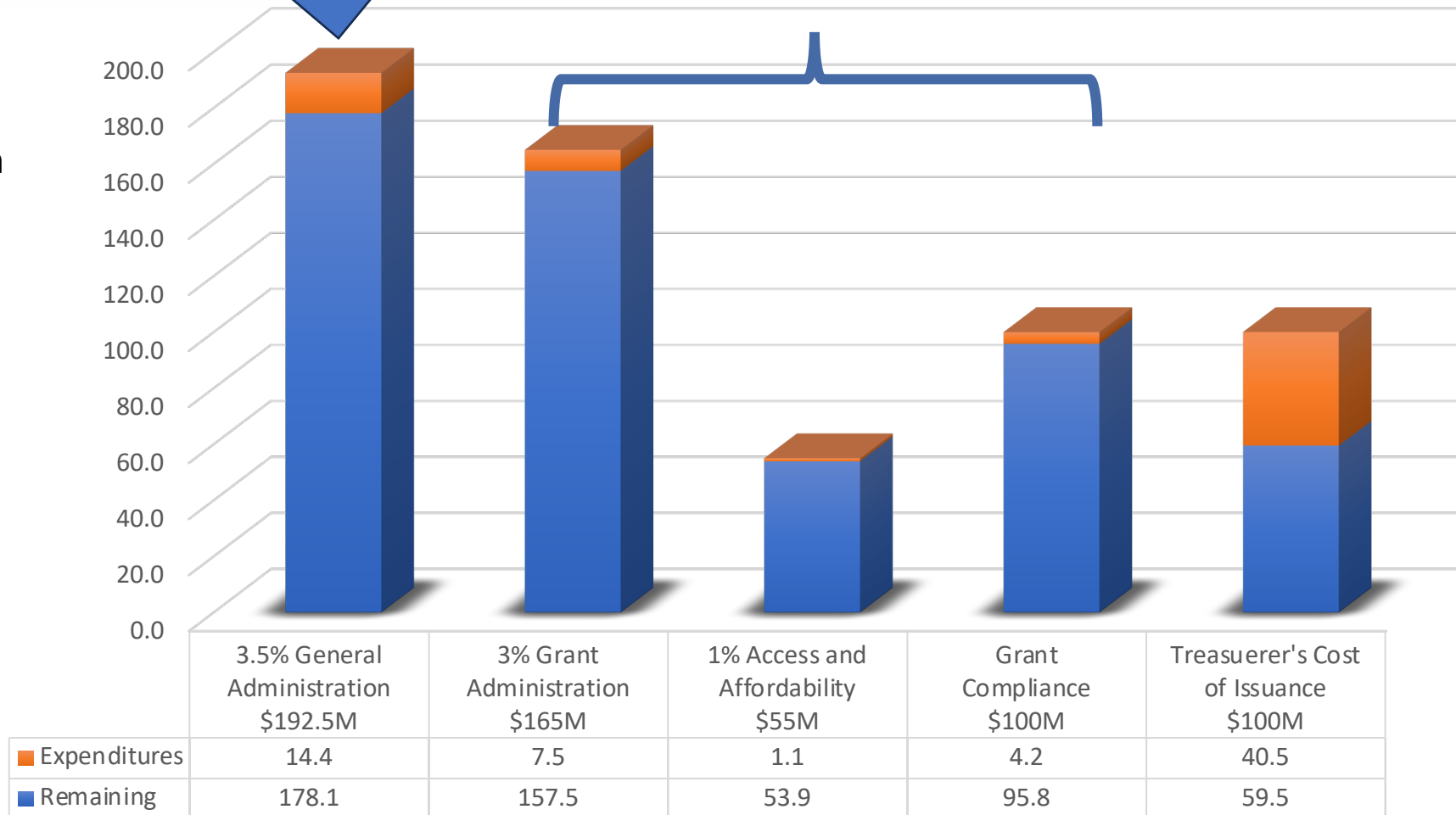


Statutory Categories and Expenditure Caps

As of May 2023, Dollars in Millions

CIRM Direct Grant Administration is 5.8%

CIRM Administration is 3.5%



FY 22-23 Financial Results and Discussion

- Ramp-up
 - Increased staff levels due to increased workload
 - FY 22-23 budgeted for 60 total positions
 - 16 new FTE recruited in FY 22-23 thus far; CIRM currently at 56 FTE.
 - 4 in hiring process for the FY 22-23 budget year (3 will be requested again)
- Completed move-in to new office
- Partial resumption of pre-pandemic activities including travel and in-person meetings

FY 22-23 Projected Financial Results

Category	FY 22-23 Budget	FY 22-23 ETF	Variance
Employee Expense	18,421	15,359*	-3,062 (-17%)
External Services	2,382	2,917**	535 (22%)
Reviews, Meetings and Workshops	1,815	1,264	-551 (-30%)
Memberships & Training	235	147	-88 (-37%)
Travel	212	222	10 (5%)
Office Expenses	1,594	841	-753 (-47%)
Rent	1,555	954***	-601 (-39%)
Total	26,214	21,704	-4,510 (17%)

* Recruitment and hiring in progress which may impact final FY22-23 actuals

** costs originally budgeted in Office Expenses moved to External Services.

*** Monthly Rent at 601 Gateway = \$85,496.40

- Numbers are in thousands of dollars (\$000). Minor variances due to rounding.

Lower Expense:

- **Employee Expenses** under budget by \$3,062,000 (-17%) because of delays in hiring, staff turnover, and transit and per diem savings.
- **Reviews Meetings and Workshops** under budget by \$551,000 (-30%) because of in-person meetings becoming virtual or being postponed.
- **Office Expenses** under budget by \$753,000 (-47%) because actual move costs were lower than budgeted and some costs were more appropriately displayed as external services.
- **Rent Expenses** under budget by \$601,000 (-39%) because no rent was paid the first five months of the year.

Employee Expenses

- Vacancies and delayed start of vacant positions -\$2,383,000
- Under utilization of temporary help -\$226,000
- Patient Advocate Board Member per diem actuals below budget -\$368,000
- Transit savings due to remote work -\$85,000

Estimated Financial Impact : -\$3,062,000 (-17%)

Higher Expense: External Services

Consultants for New initiatives. For example:

- Business Development - IP and Industry Activities
- AAWG - Roadmap discussions
- Review- Facilities Working Group
- Finance - Automation of financial processes
- Budget realignment.
 - Some Information Technology contracts previously shown under the Office Expense category are more appropriate to show under External Service. Example: Avallation for \$225k
 - Estimated Expense over budget by \$535,000 (22%)

FY 23-24 Proposed Budget

Proposed FY 23-24 Administration Budget

Category	FY 22-23 Budget	FY 22-23 ETF	FY 23-24 Budget	Variance FY 23-24 Requested vs FY 22-23 ETF
Employee Expense	18,421	15,359*	19,871**	4,512 (29%)
External Services	2,382	2,917	\$3,913	996 (34%)
Reviews, Meetings and Workshops	1,815	1,264	2,109***	845 (67%)
Memberships & Training	235	147	298	151 (103%)
Travel	212	222	440	218 (98%)
Equipment & Supplies	1,594	841	1,202	361 (43%)
Facilities	1,555	954	1,105	151 (16%)
Total	26,214	21,704	28,938	7,234 (33%)

* Recruitment and hiring in progress which may impact final FY 22-23 actuals.

** Cost of increased mandated benefits, and ICOC Patient Advocate Per Diem, and a request for 9 new FTE. Details provided in Appendix.

*** Increase in number and cost of reviews, advisory meetings, and in-person meetings.

• Numbers are in thousands of dollars (\$000). Minor variances due to rounding.

- Overview Proposed Increases
 - Employee Expense 9 additional positions for workload increase (3 in recruitment from FY 22-23, 6 new positions)
 - Reviews/Meetings/Workshops Additional in-person meetings
 - Membership and Training for increased staff and resumption of pre-pandemic activities

Net Increase in Employee Expense

- Requesting budget to fund 9 new positions based on program needs \$1,648,000 (Details in Appendix)
 - 5 positions July start, 2 October start, 2 January start
- General State salary increase program-Performance based Merit Salary Increase of 3% for eligible staff. (No cost-of-living increase included) \$290,000
- Other adjustments including mandated retirement adjustment (33% To 32%), commute, position downgrades for programmatic need. -\$488,000
- Financial impact compared to FY 22-23 ETF: \$4,512,000 (29%)

(\$3,062,000 in FY 22-23 savings and \$1,450,000 in FY 23-24 increases)

Net Increase in External Services

- One-time consultants for program development Increased
 - Ex: BD Co-funding and Warrant based options \$50K, Performance Audit & Legal services at \$272k, Alumni Portal for \$240k
- Contingent move contracts reduced
 - Ex: AC Buildout of Server room -\$70K
- Realignment of Contracts-
 - Ex: Website ADA compliance \$200k , IT Research and consulting \$180k
- Financial impact compared to FY 22-23 ETF : \$996,000 (34%)

Increase in Reviews/Meetings/Workshops

- Higher cost of reviews
 - Increased to 5 in-person board meetings
 - Scientific Workshops & Advisory Meetings
 - Clinical & Translational Advisory Panels
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- Financial impact compared to FY 22-23 ETF : \$845,000 (67%)

- CIRM continues to actively manage costs; however, some factors are difficult to control:
 - Recruitment and personnel growth
 - Economic instability
 - Post-pandemic recovery of meetings, travel, and work activities

Requesting approval of the FY 23-24 Administration Budget.

Category	FY 23-24 Budget
Employee Expense	19,871
External Services	3,913
Reviews, Meetings and Workshops	2,109
Memberships & Training	298
Travel	440
Equipment & Supplies	1,202
Facilities	1,105
Total	28,938

- Numbers are in thousands of dollars (\$000).
- Minor variances due to rounding.

Questions