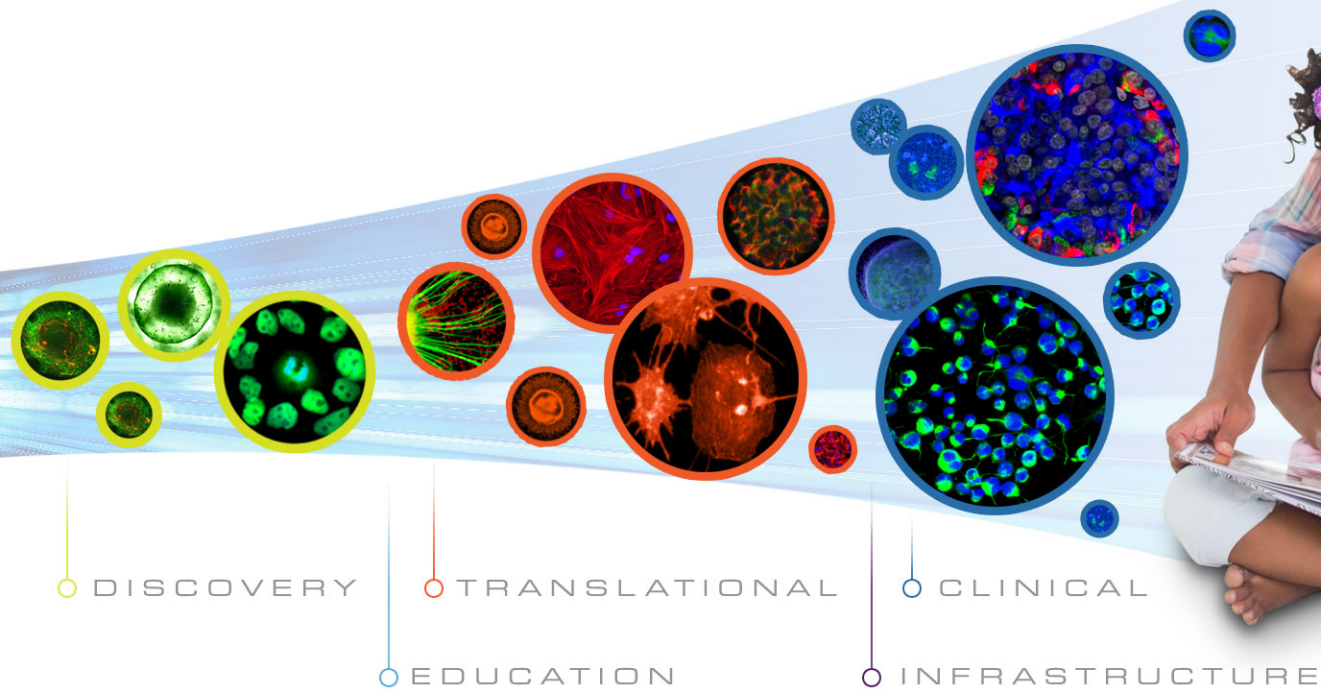


# CIRM

CALIFORNIA'S STEM CELL AGENCY



## Proposed Budget for Fiscal Year 2017/2018

**Chila Silva-Martin**

Vice President, Finance  
California Institute for Regenerative Medicine

# Agenda

- **2016/17 Budget**
  - Financial Results
  - Major Drivers
  
- **2017/18 Proposed Budget**
  - Major Drivers
  - Risks



# **2016/17 FINANCIAL RESULTS AND DISCUSSION**

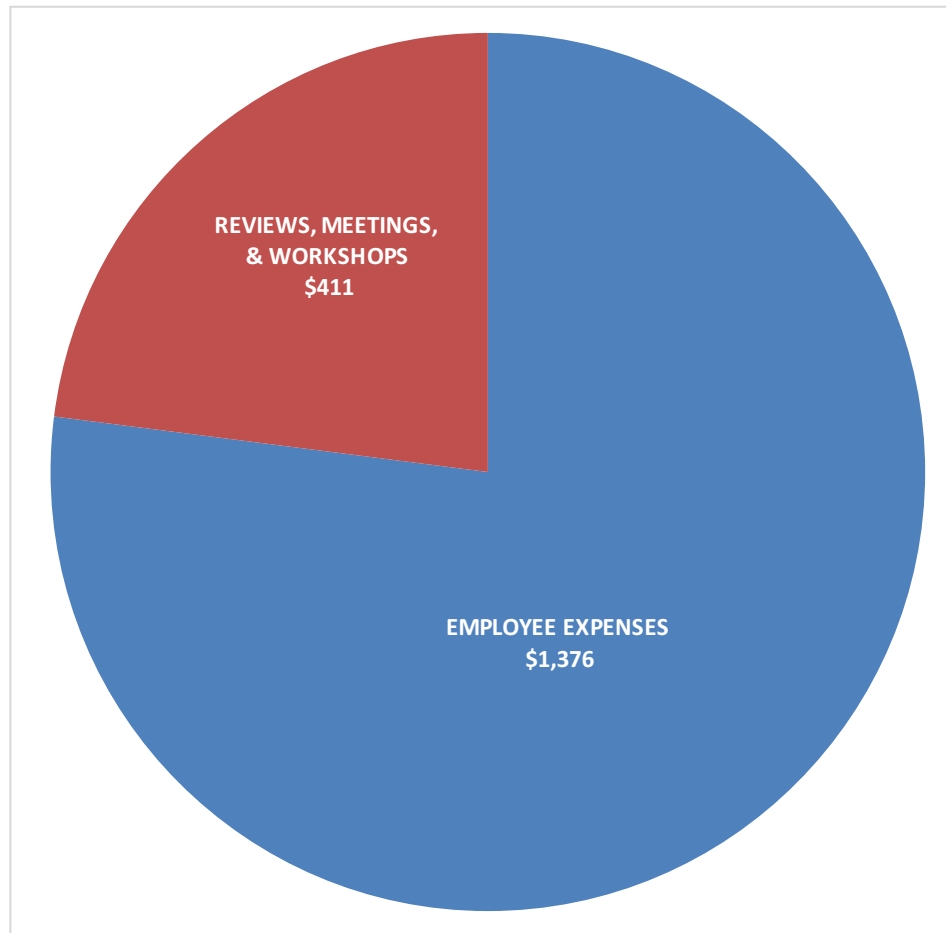
# FY 2016/17 Projected Financial Results

Category	FY 16/17 Budget	FY 16/17 ETF	Variance (%)
Employee Expense	13,259	11,884	-1,376 (-10)
External Services	1,965	1,968	3 (0)
Reviews, Meetings and Workshops	1,718	1,307	-411 (-24)
Memberships & Training	154	117	-37 (-24)
Travel	494	341	-154 (-31)
Equipment & Supplies	606	584	-22 (-4)
Facilities	710	736	26 (4)
<b>Total</b>	<b>18,906</b>	<b>16,936</b>	<b>-1,970 (-10)</b>

- ETF: Estimated to Finish. Current year-end budget projection for the ongoing fiscal year ending June 30, 2017.
- Numbers are in thousands of dollars (\$000).
- Minor variances due to rounding.

# The Variance is Attributable to Two Major Drivers

Numbers in (000)



# Major Drivers of 2016/17 Budget Variance

## Lower Employee Expense:

- 16/17 budget included 57 positions to support the approved Strategic Plan.
- Of the 57 positions, 5 vacancies existed in Therapeutics and 1 in CIRM's Strategic Infrastructure (CSI).
- Dr. Maria Millan was appointed to lead the Therapeutics team in July and delayed filling the vacancies.
- Neil Littman was appointed to Dr. Millan's old position and we did not backfill his position.
- For the 17/18 FY, three of the positions are retained to meet increased workload.

**Estimated Financial Impact:** Under budget \$1,376,000 (-10%)

# Major Drivers of 2016/17 Budget Variance

## Fewer Meetings/Implemented Additional Process Improvements:

- Held ICOC Board meetings at CIRM headquarters to reduce costs.
- Combined Alpha Clinic oversight with Therapeutic responsibilities to increase efficiencies and reduce costs.
- Combined reviews resulted in lower costs.
- ATP3 review did not materialize.

**Estimated Financial Impact:** Under budget \$411,000 (-24%)



# 2017/18 PROPOSED BUDGET



# FY 2017/18 Budget Overview

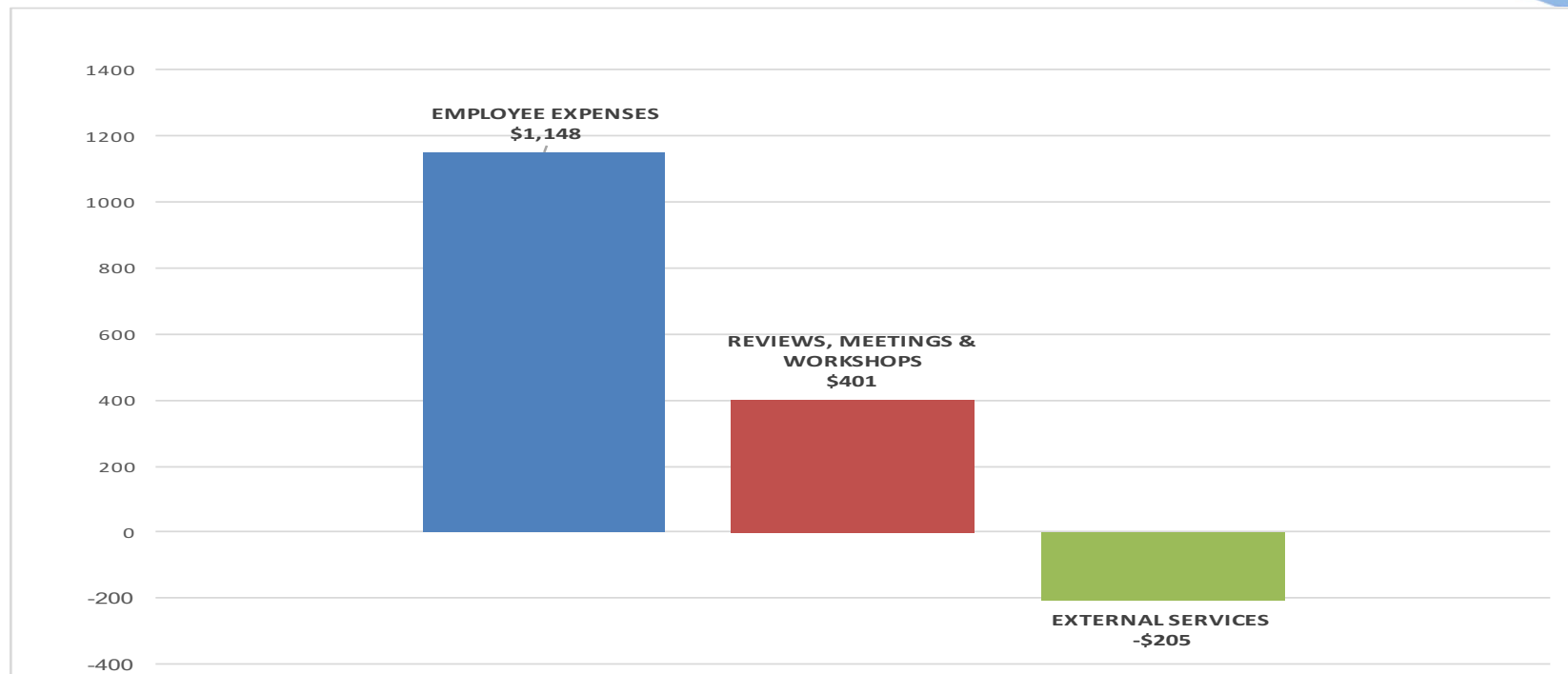
Category	FY 16/17 Budget	FY 16/17 ETF	FY 17/18 Budget
Employee Expense	13,259	11,884	13,032
External Services	1,965	1,968	1,763
Reviews, Meetings and Workshops	1,718	1,307	1,708
Memberships & Training	154	117	173
Travel	494	341	404
Equipment & Supplies	606	584	696
Facilities	710	736	805
<b>Total</b>	<b>18,906</b>	<b>16,936</b>	<b>18,581</b>

- ETF: Estimated to Finish. Current year-end budget projection for the ongoing fiscal year ending June 30, 2017.
- Numbers are in thousands of dollars (\$000).
- Minor variances due to rounding.

# The Variance is Attributable to Three Drivers

Drivers of Why CIRM's 17/18 Budget is \$1.6 Million Higher than FY 16/17 Estimated to Finish (ETF)

Numbers in (000)



# Major Drivers of the 2017/18 Budget

## Increased Employee Expenses:

- General Counsel functions converting from external services to employee expenses; adding a legal position to support this effort.
- Currently recruiting to fill 3 positions to support additional clinical activity.
- State mandated employer contributions for retirement, health, and other benefits will increase 9% resulting in additional expenses.

**Estimated Financial Impact:** Increase of \$1,148,000 over FY 16/17  
ETF

# Major Drivers of the 2017/18 Budget

## Increased Meeting Activity:

- Clinical Advisory Panel (CAP) Activity (\$245K)
  - Under CIRM 2.0, CAP activity has increased dramatically and we expect continued increases
    - 2016 Activity - 9 CAPs
    - 2017 Forecast - 27 CAPs

**Estimated Financial Impact:** Increase of \$401,000 over FY 16/17 ETF

# Major Drivers of the 2017/18 Budget

## Decreased External Services:

- Major decreases include:
  - Conversion of General Counsel functions from consulting services to employee expenses (\$325K)
  - Lower web development and programmer costs (\$235K)
- Budget decreases are partially offset by:
  - Tri-annual legislatively mandated performance audit (\$300K)
  - Increased Department of General Services costs (\$82K)

**Estimated Financial Impact:** Decrease of \$205,000 over FY 16/17 ETF

# Risk Factors for the FY 2017/18 Financial Results

Over the last 3 years, CIRM has shown that we are actively managing our costs, but some things are difficult to control:

- Application Volume
- Employee Turnover
- Benefit Costs

# Requested Action: Approve 17/18 Budget

- June 7, 2017 - Finance sub-committee reviewed and voted unanimously to recommend approval of the 17/18 budget
- CIRM team requests approval of the 17/18 budget

Questions?