



**Joint Transition and Science Subcommittee
Presentation of Budget Scenarios
November 27, 2017**

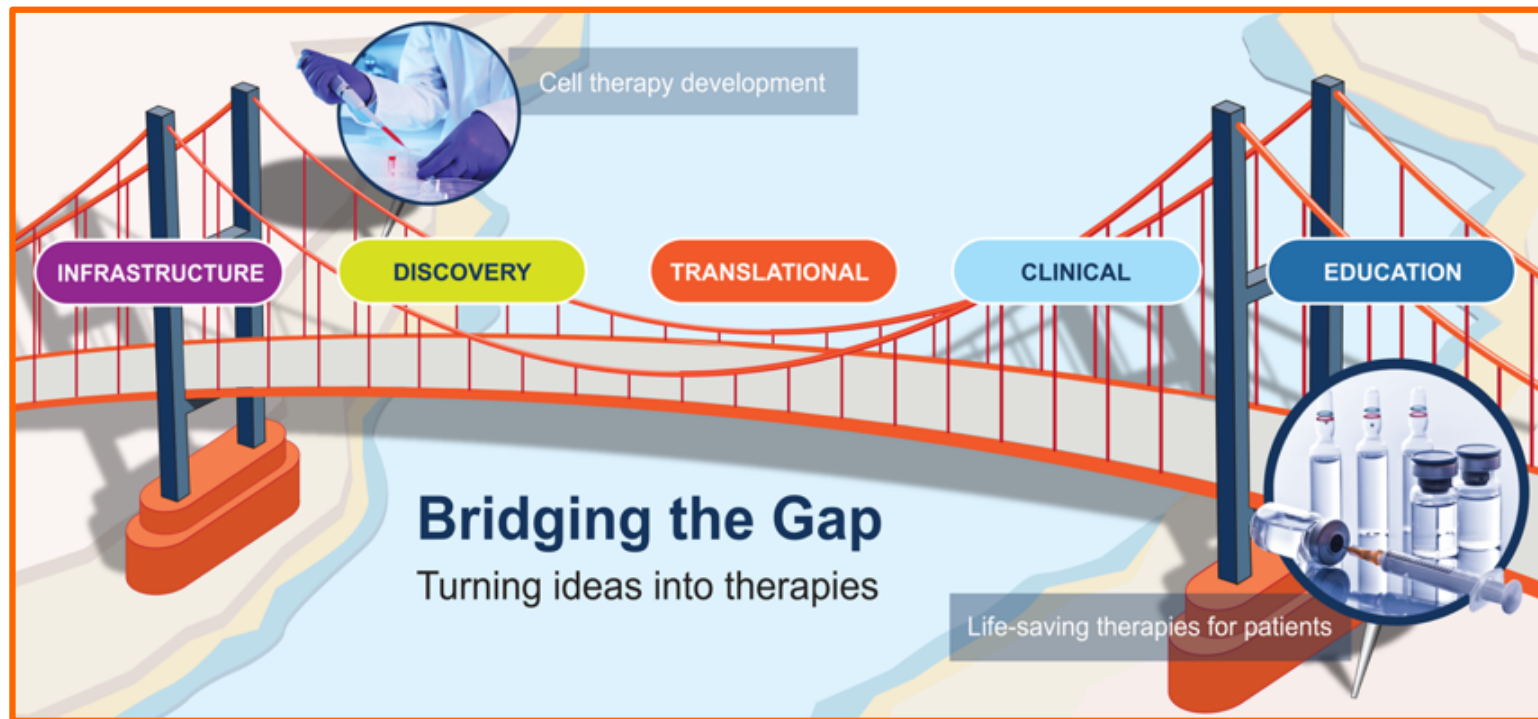
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The California Institute for Regenerative Medicine

Agenda

- Operating Assumptions
- Big Bucket for Research
- Small Bucket for Administration

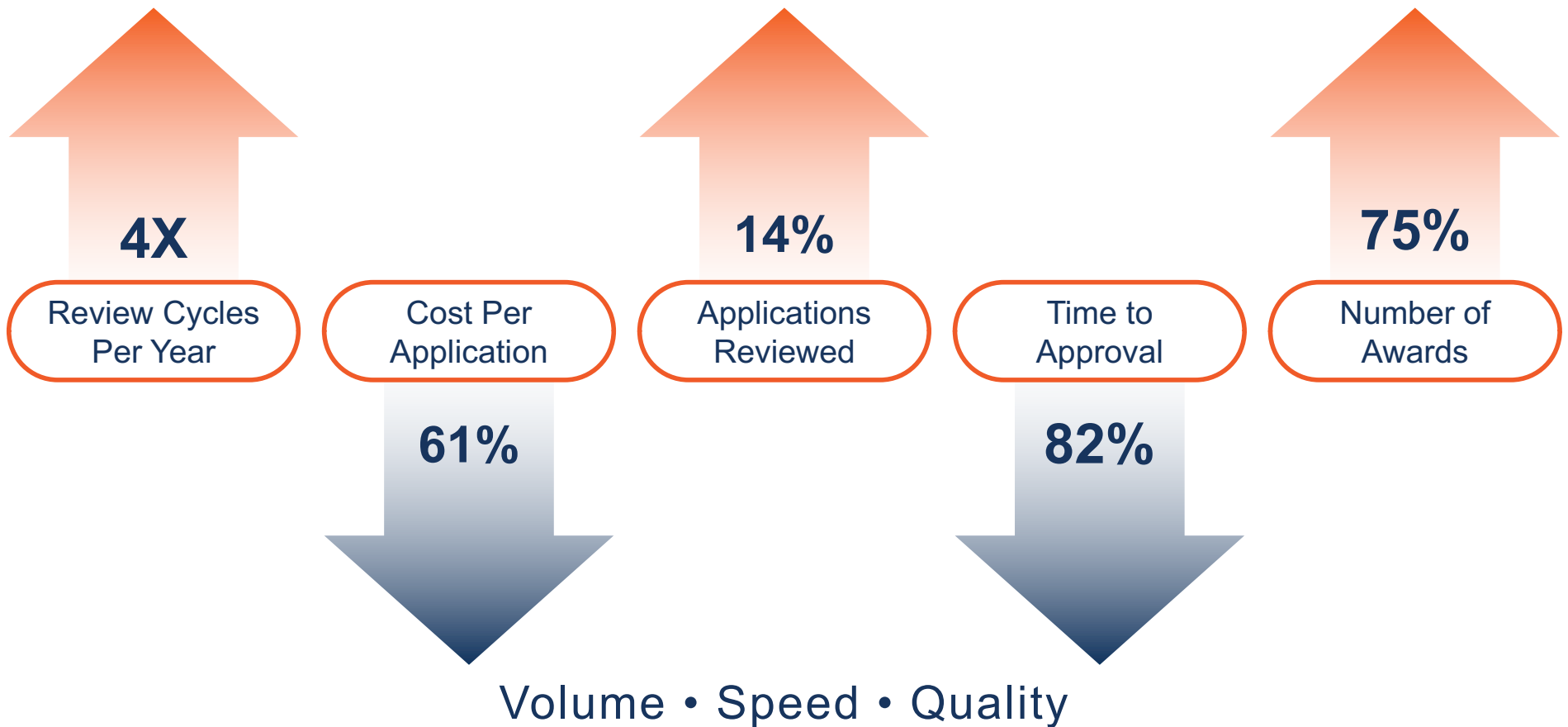
CIRM Value Proposition: 5 Pillars of investment accelerate science to treatments



All In All Out | Every Moment Counts

CIRM Value Proposition:

Acceleration through 2.0 Operational Excellence



All In All Out | Every Moment Counts

5-Year Strategic Plan

Launched January 2016

Beyond
CIRM 2.0
CALIFORNIA'S STEM CELL AGENCY
now it's personal



NEW
CANDIDATES
INTO DEVELOPMENT

INCREASE
PROGRESSION
EVENTS



ENACT
NEW REGULATORY
PARADIGM



REDUCE
TRANSLATION TIME



CLINICAL
PROGRAMS
WITH COMMERCIAL
PARTNERS



NEW
CLINICAL
TRIALS

CIRM 2.0
CALIFORNIA'S STEM CELL AGENCY

BIG 6 2020 VISION

All In All Out | Every Moment Counts

Operating Assumptions

- Execute on 5-year Strategic Plan approved by the ICOC on December 2015
- Critical personnel level required to execute on the Strategic Plan while maintaining operational excellence
- Essential to preserve CIRM's value proposition to increase the probability of and the speed by which stem cell treatments can reach patients

5-Year Strategic Plan

Research Budget Projections

- \$890M Budget to fund 5 Pillars through mid 2020
- \$440M projected for CLIN awards (50 CLIN2s at \$5-10M/award)
- Administrative & Research budgets to be fully expended by mid 2020

Strategic Plan Research Budget

Year 2 Update

- \$890M Budget to fund 5 Pillars through mid 2020
 - Success of the Clinical Program has led to faster than expected expenditure of the \$890M budget by Q4 2019
- \$440M planned for CLIN awards (50 CLIN2s at \$5-10M/award)
 - \$300M already expended on 26 trials + 9 CLIN1s
 - Average CLIN trial award has increased from \$10.9 in 2015/2016 to \$12.1M in 2017
- Administrative & Research budgets to be fully expended by mid 2020
 - Final Research awards will be made in 2019; Administrative Budget can fund into early 2021

2017 Big Bucket Budget

The projected dollar value of 2017 awards by category

Program	2017 Allocation	2017 Through Oct	Est 2017 Total *
Education	\$1M	\$0.3M	\$1M
Discovery	\$52M	\$21M	\$46M
Translation	\$45M	\$10M	\$24M
Clinical	Up to \$215M	\$213M	\$213M
Infrastructure	\$16M	\$16M	\$16M
Total	\$329M	\$260.3M	\$300M

9 * Est Remaining Approvals: 3 TRAN1s for \$13.6M; 13 DISC1s for \$2.8M; 11 DISC2s for \$21.1M

2017 Year End



Estimated award activity for the calendar year 2017

As of January 1, 2017

- Committed / Uncommitted Balance \$2.22B / \$528M

2017 Estimated Activity

- 88 Awards Added \$299.9M
- Award Reductions \$41M

As of December 31, 2017

- Committed / Uncommitted \$2.48B / \$269M

Future Recovery (2018-2019) \$66M

Available Big Bucket research funds (total) \$335M

CIRM Budget

January 1st, 2018

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Research

+



Administration

Budget Scenario

- \$335M left in Research and \$48M in Administration
- Research Budget - last awards planned for Q4 2019
- Budget for Administration for Q1 2018 - Q4 2023
 - Provide for sufficient staffing to manage all CIRM awards
 - Leave enough for wind-down funds in the event the 2020 bond is unsuccessful
- Adjustment of CLIN award caps
 - to allow predictably & planning for strategic plan goals
 - funding of full complement of research programs

Research Budget Containment:

- Without reduction in CLIN award caps, we would only be able to fund the CLIN programs (assuming a target of 50 trials)
- Reduction in CLIN award caps would generate ~\$68M in savings
- \$68M savings would allow us to fund all 5 Pillars

Current and Proposed Award Caps







CLIN Program	CLIN1	Phase 1 Phase 1/2	Phase 2	Phase 3
Current CLIN Award Caps*	\$20M	\$20M	\$20M	\$20M
2017 Average Award \$	\$4.9M	\$10.3M	\$15.3M	\$16.7M
Proposed Award Cap Non-Profit For-Profit	\$6M \$4M	\$12M \$8 M	\$15M \$15M	\$10M \$10M

* \$20M CLIN Award caps are a holdover from Disease Team Awards which funded a combination of activities currently funded separately under CIRM2.0 TRAN, CLIN1 & CLIN2 programs.

Research Budget Allocation Proposal with new award caps

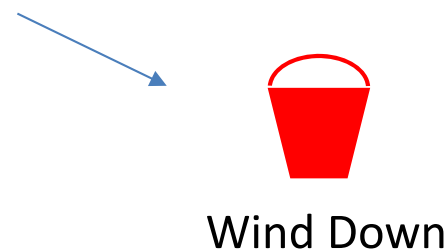
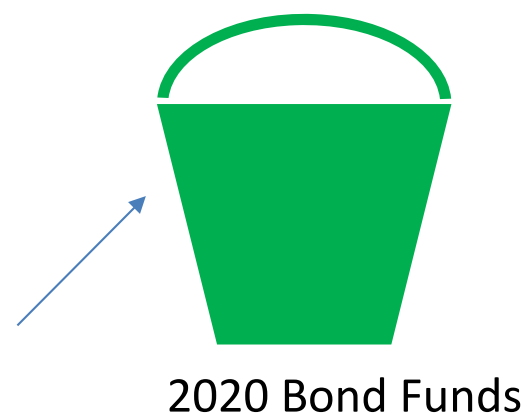


		2018	2019
CLIN		\$130M (12 trials + 4 Candidates)	\$130M (12 trials + 4 Candidates)
TRAN		\$30M (6 Candidates)	\$25M (5 Candidates)
DISC		\$10M (10 Projects)	\$9.25M (9 Projects)
EDUC		\$750K	\$0

- Can achieve 50 new clinical trials & 40 new candidates
- DISC and EDU with limited budget

Administration Budget

FY	17/18	18/19	19/20	20/21 - beyond
Budget	\$14.4M	\$14.1M	\$12.6M	\$14M



Administration Budget

Wind-Down Scenario



↓ Trigger wind down only if no 2020 bond

FY	17/18	18/19	19/20	20/21	21/22	22/23	Q3-Q4 2023
Budget with additional \$8.5M	\$14.4M	\$14.1M	\$13.8M	\$9.5M	\$5M	\$4M	\$2.7M
Budget with no funds raised	\$14.4M	\$14.1M	\$12.6M	\$5.7M	\$3.0M	\$3.0M	\$2.3M

Wind Down Costs beyond June 2020*	\$22.4M
Residual Funds \$6.9M (Prop 71) + \$7.0M raised to date	\$13.9M
Fundraising Needs	\$8.5M

*includes close-out costs

Budget Scenario

- Consistent with 5-year strategic goals
- Preserves the 5 pillars
- Ensures that Awards from 2019 (including those launched in early 2020) will be managed until completion
- Keeps CIRM value proposition and operations as intact as possible for a planned 2020 bond measure & reserves enough funds if wind down necessary

CIRM's Mission

Beyond
CIRM_{2.0}
CALIFORNIA / STEM CELL AGENCY
now it's personal

A young boy with dark hair is looking out a window, smiling and looking up. The view outside the window is a lush green landscape with hills and trees. The boy is in the foreground, and the window frame is visible. The background is a soft-focus green landscape.

Accelerate stem cell treatments to patients with unmet medical needs

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