

SOMETHING BETTER THAN HOPE

Right now.

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Proposed Budget for Fiscal Year 2019/2020
May 15 , 2019



Every Moment Counts. **Don't Stop** Now.

Our Mission
Accelerate Stem Cell Treatments
To Patients with
Unmet medical needs.



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CIRM
CALIFORNIA STEM CELL AGENCY

Agenda

- **2018/19 Budget**
 - Financial Results
 - Major Drivers
- **2019/20 Proposed Budget**
 - Major Drivers
 - Risks
- **Comparison to November 2017 “Transition Plan” Forecast**
- **Appendix**
 - Department Level Budget Detail

2018/19 Financial Results and Discussion

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FY 2018/19 Projected Financial Results

Category	FY 18/19 Budget	FY 18/19 ETF	Variance (%)
Employee Expense	12,030	11,290	-739 (-6%)
External Services	1,475	1,094	-381 (-26%)
Reviews, Meetings and Workshops	1,273	794	-479 (-38%)
Memberships & Training	184	101	-83 (-45%)
Travel	376	242	-134 (-36%)
Equipment & Supplies	717	609	-108 (-15%)
Facilities	773	770	-3 (0%)
Total	16,826	14,900	-1,927 (-11%)

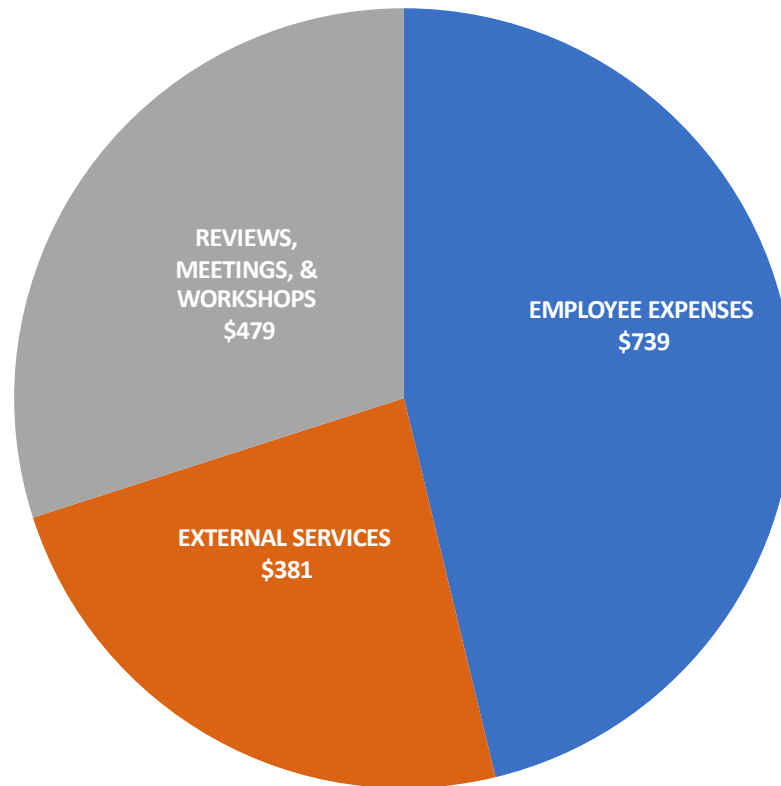
- ETF: Estimated to Finish. Current year-end budget projection for the ongoing fiscal year ending June 30, 2019.
- Numbers are in thousands of dollars (\$000).
- Minor variances due to rounding.

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The Variance is Attributable to Three Major Drivers

Numbers in (\$000)



Major Drivers of 2018/19 Budget Variance

Lower Employee Expense:

- 18/19 budget included 45 positions to support the approved Strategic Plan
- Several vacancies in the first half of the fiscal year. CIRM evaluated workload, filled 2 of the vacancies, re-distributed workload from other vacancies to existing staff

Estimated Financial Impact: Under budget \$739,000 (-6%)

Major Drivers of 2018/19 Budget Variance

Lower External Services:

- Expenses lower than budgeted
- Budgeted external services did not occur

Estimated Financial Impact: Under budget \$381,000 (-26%)

Major Drivers of 2018/19 Budget Variance

Lower Reviews/Meetings/Workshops Expenses:

- Expenses lower than budgeted, resulting in savings
 - Budgeted reviews/meetings/workshops did not materialize
-
- **Estimated Financial Impact:** Under budget \$479,000 (-38%)

2019/20 Proposed Budget

FY 2019/20 Budget Overview

Category	FY 18/19 Budget	FY 18/19 ETF	FY 19/20 Budget
Employee Expense	12,030	11,290	11,389
External Services	1,475	1,094	1,466
Reviews, Meetings and Workshops	1,273	794	838
Memberships & Training	184	101	172
Travel	376	242	305
Equipment & Supplies	717	609	709
Facilities	773	770	736
Total	16,826	14,900	15,614

- ETF: Estimated to Finish. Current year-end budget projection for the ongoing fiscal year ending June 30, 2019
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Year-to-Year Comparison

- 18/19 Fiscal Year
 - Authorized Budget: \$16.8M
 - Year-End Forecast: \$14.9M
- 19/20 Fiscal Year
 - 19/20 Budget Request - \$15.6M
 - \$1.2M lower than 18/19 Budget
 - \$0.7M higher than 18/19 Year-End Forecast

Major Drivers of the 2019/20 Budget

Increases:

- Mandated state benefits
- Contracted services for Accounting through the Department of General Services
- Contingency funding for legal services
- IT security services, and
- Increased activity in Clinical and Translational advisory panels
- **Estimated Financial Impact: \$714,000**

Risk Factors for the FY 2019/20 Financial Results

CIRM continues to actively manage costs, however, some factors are difficult to control:

- Turnover
- Portfolio Activity

19/20 Budget Request Compared to “Transition Plan” Forecast

(Nov 2017 Transition Presentation)

- 19/20 Total Operational Budget
 - “Transition Plan” 19/20 Budget Forecast: *\$15.7M
 - Budget Request: \$15.6M

**\$15.7M= \$12.6M little bucket + \$2.3M big bucket + \$0.7M interest funds (rent)*

*CIRMs operational budget reflects all costs and is supported from General and Grant Funds (Little Bucket), Research Funds (Big Bucket for Legal expenses), and Interest earnings (for Rent expenses). The November 2017 Transition presentation only reflected the wind-down forecast for the little bucket (general and grant administration).

Funds Available in Administrative Bucket (Little Bucket)

Available 7/1/2018	\$45M
18/19 Forecast	\$12.2M
19/20 Proposed Budget	\$12.6M
20/21 Estimated Budget	\$11.7M
21/22 Estimated Budget	\$2.7M
22/23 Estimated Budget	\$2.8M
23/24 Estimated Budget	\$1.8M
Total	\$43.8M

Additional "Big Bucket" funds set aside for legal expenses through 2023/24 - \$7.4M