

Real Life™

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FY 23/24 Budget
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CIRM
CALIFORNIA'S STEM CELL AGENCY

OUR MISSION

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



FY 22/23 Budget

Financial Results

Major Drivers

FY 23/24 Proposed Budget

Major Drivers

Appendix

Department Level Budget Detail

FY 2022/23 Financial Results and Discussion

- Ramp-up
 - Increased staff levels due to increased workload
 - 22/23 budgeted for 60 total positions
 - 14 new FTE recruited in 22/23 thus far; CIRM currently at 56 FTE.
 - 4 in hiring process for the 22/23 budget year
 - Increased number of reviews based on ramp-up
- 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 22/23 actuals
 ** costs originally budgeted in Office Expenses moved to External Services.
 • 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 key vacancies.
- **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.

Higher Expense:

External Services over budget by \$535,000 (22%) for:

- 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

FY 23/24 Proposed Budget

Proposed FY 23/24 Budget

Category	FY 22/23 Budget	FY 22/23 ETF	FY 23/24 Budget	Variance FY 23/24 Requested vs 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 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
 - 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 (Details in Appendix)
 - 5 positions July start, 2 October start, 2 January start
- Patient Advocate Board Member per diems adjusted down based on actual expenditures
- Decrease in state mandated retirement adjustment (33% To 32%)
- Financial impact compared to 22/23 ETF: \$4,512,000 (29%)

Net Increase in External Services

- One-time consultants for program development Increased
 - BD Co-funding and Warrant based options \$50K, Performance Audit & Legal services at \$352k, IT Helpdesk and Security at \$275k, 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 22/23 ETF : \$996,000 (34%)

Increase in Reviews/Meetings/Workshops

- Higher cost of reviews
- Increased to 5 in-person board meetings
- Scientific Workshops & Advisor Meetings
- Clinical & Translational Advisory Panels
- Estimated Financial Impact compared to 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 recommendation of approval of the FY 23/24 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