

Real Life™

FY 24-25 Administration Budget
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Finance Subcommittee
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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



Prop 14 Overview

FY 23-24 Budget

Financial Results

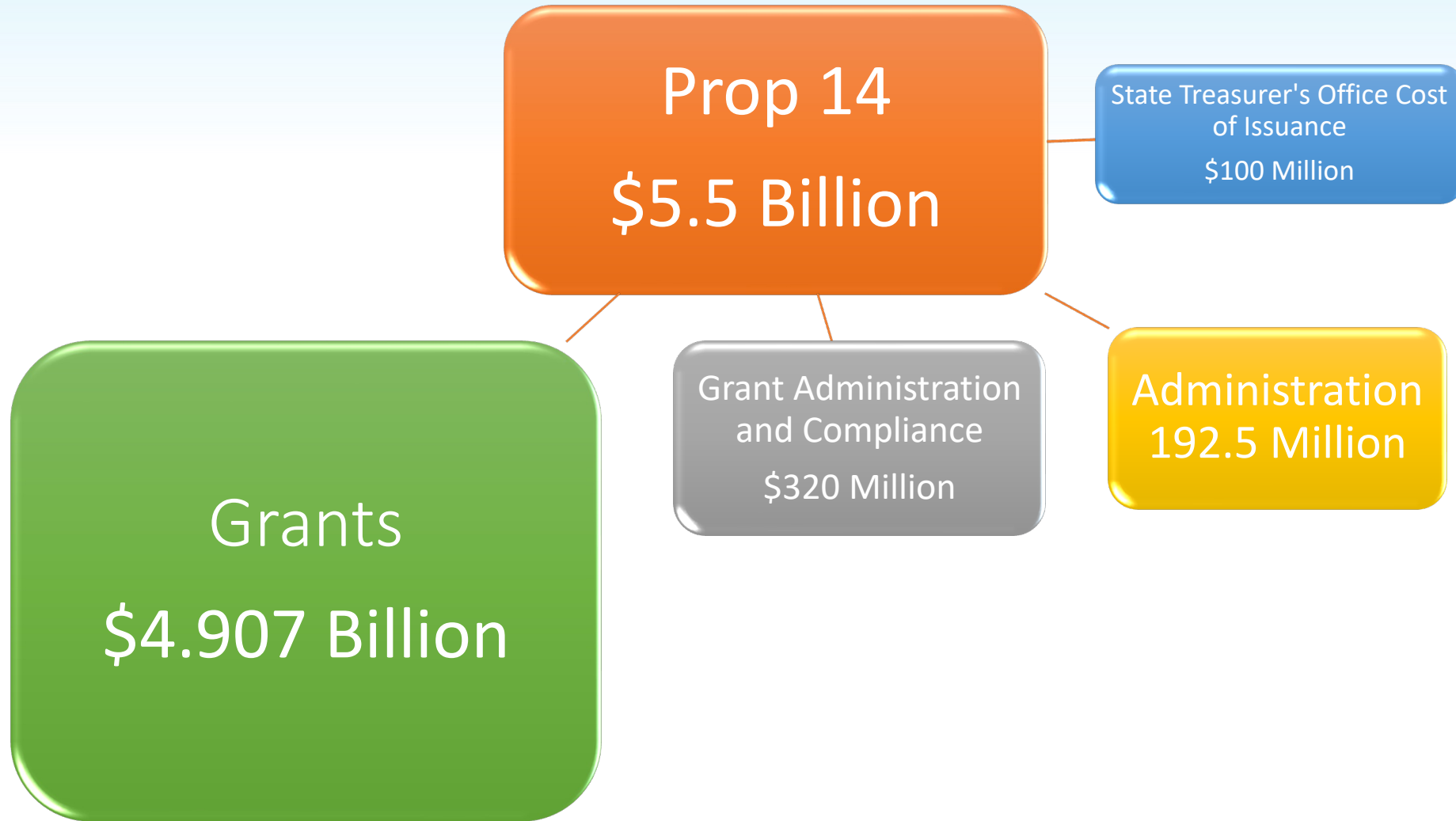
Major Drivers

FY 24-25 Proposed Budget

Major Drivers

Appendix

Department Level Budget Detail

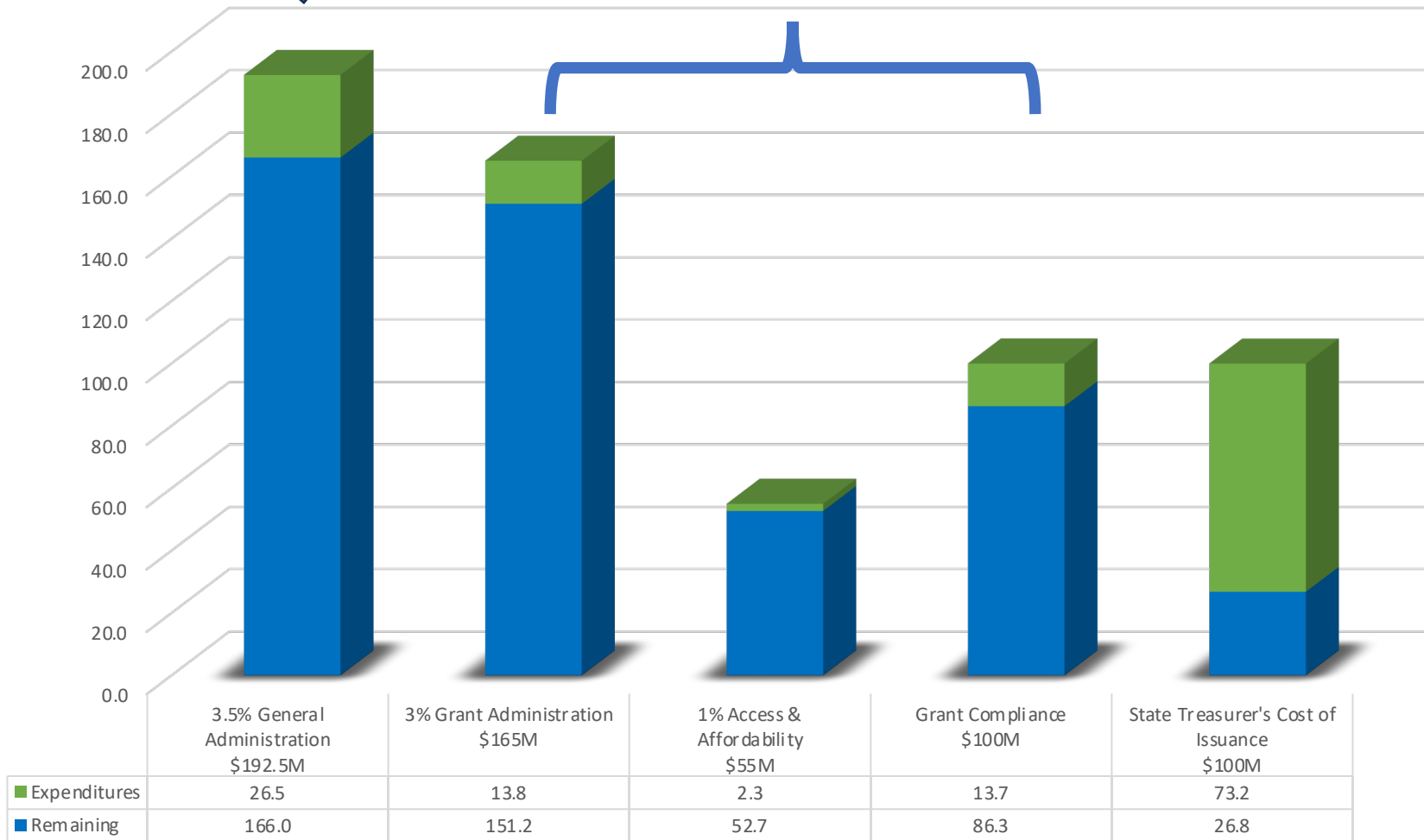


Statutory Categories and Expenditure Caps

As of March 2024, Dollars in Millions

CIRM Direct Grant Administration is 5.8%

CIRM Administration is 3.5%



FY 23-24 Financial Results and Discussion

- Continued ramp-up
 - FY 23-24 budgeted for 66 total positions
 - 14 new FTE recruited in FY 23-24 thus far; CIRM currently at 61 FTE.
 - 4 in hiring process for the FY 23-24 budget year, 1 on hold pending hire of new President/CEO
- Continued implementation of the Strategic Plan while evaluating priorities.
- Increased outreach with education video.
- Increased industry leadership with Rare Disease Workshop

FY 23-24 Projected Financial Results

| Category | FY 23-24 Budget | FY 23-24 ETF | Variance |
|---------------------------------|-----------------|---------------|----------------------|
| Employee Expense | 19,871 | 18,180* | -1,691 (-9%) |
| External Services | 3,913 | 3,706 | -207 (-5%) |
| Reviews, Meetings and Workshops | 2,109 | 1,230 | -879 (-42%) |
| Memberships & Training | 298 | 118 | -180 (-60%) |
| Travel | 440 | 150 | -290 (-66%) |
| Office Expenses | 1,202 | 1,067 | -135 (-11%) |
| Rent | 1,105 | 1,158 | 53 (5%) |
| Total | 28,938 | 25,609 | -3,329 (-12%) |

* Recruitment and hiring in progress which may impact final FY23-24 actuals

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

Lower Expense:

- **Employee Expenses** under budget by \$1,691,000 (-9%) because of delays in hiring, staff turnover, and transit and per diem savings.
- **Reviews Meetings and Workshops** under budget by \$879,000 (-42%) because meetings and workshops occurred at a lower cost or were postponed.
- **Travel** under budget by \$290,000 (-66%) because actual travel costs were lower than budgeted, vacancies resulted in travel savings, and some travel was postponed due to strategic allocation framework.

Employee Expenses

- Vacancies and delayed start of vacant positions **-\$1,338,000**
- Patient Advocate Board Member per diem actuals below budget **-\$308,000**
- Transit savings due to remote work **-\$53,000**

Estimated Financial Impact : **-\$1,691,000 (-9%)**

Reviews Meetings and Workshops

- Some reviews, meetings, and workshops were held at a lower cost than anticipated.
- Contingency funds for advisory meetings, workshops, and internal meetings were postponed pending the hire of CEO/President and VP of Patient Access.

Estimated Financial Impact : -\$879,000 (-42%)

FY 24-25 Proposed Budget

Proposed FY 24-25 Administration Budget

| Category | FY 23-24 Approved Budget | FY 23-24 ETF | FY 24-25 Budget | Variance FY 24-25 Requested vs FY 23-24 ETF |
|---------------------------------|--------------------------|---------------|-----------------|---|
| Employee Expense | 19,871 | 18,180* | 22,827** | 4,647 (26%) |
| External Services | 3,913 | 3,706 | 2,972 | -734 (-20%) |
| Reviews, Meetings and Workshops | 2,109 | 1,230 | 2,012 | 782 (64%) |
| Memberships & Training | 298 | 118 | 245 | 127 (108%) |
| Travel | 440 | 150 | 513 | 363 (242%) |
| Equipment & Supplies | 1,202 | 1,067 | 1,627 | 560 (52%) |
| Facilities | 1,105 | 1,158 | 1,248 | 90 (8%) |
| Total | 28,938 | 25,609 | 31,444 | 5,835 (23%) |

* Recruitment and hiring in progress which may impact final FY 23-24 actuals.

** Details provided in Appendix.

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

- Overview of Proposed Increases
 - Employee Expense 4 additional positions for workload increase (Partial year request of 2.75 personnel years (PYs) with one July, one October, and two January funding start dates)
 - Additional Reviews/Meetings/Workshops
 - Travel resumption of travel to pre pandemic levels
 - Equipment and Supplies- investment in software and technology, equipment for new employee needs, and increasing cost of supplies and software renewals.

Net Increase in Employee Expense

- Requesting \$744,000 to fund 4 (2.75 PY) new positions based on program needs (Details in Appendix)
 - Full year funding- 1 position
 - Partial year funding- 1 position October, 2 positions January
- General State salary increase program-Performance based Merit Salary Increase of 3% for eligible staff and 3% Cost of Living Increase. (\$731,000)
- Other adjustments including Retirement Rate adjustment, promotions, and temporary help (\$1,481,000)
- Financial impact compared to FY 23-24 ETF: \$4,647,000 (26%)
((\$1,691,000 in FY 23-24 savings and \$2,956,000 in FY 24-25 increases)

- CIRM continues to actively manage costs; however, some factors are difficult to control:
 - Recruitment and personnel growth
 - Increased costs for goods and services due to inflation
 - Adjustments to meetings, travel, and work activities due to strategic allocation framework.

Request for Board Action

Request to recommend approval of the FY 24-25 Administration Budget to the ICOC.

| Category | FY 24-25 Budget |
|---------------------------------|-----------------|
| Employee Expense | 22,827 |
| External Services | 2,972 |
| Reviews, Meetings and Workshops | 2,012 |
| Memberships & Training | 245 |
| Travel | 513 |
| Equipment & Supplies | 1,627 |
| Facilities | 1,248 |
| Total | 31,444 |

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

Questions