

Board of Governors Meeting

Via Teleconference/Webinar

September 18, 2018
11:00 AM – 12:00 PM ET

Welcome and Introductions

Grayson Norquist, MD, MSPH

Chairperson, Board of Governors

Joe Selby, MD, MPH

Executive Director

Agenda



11:00 AM

Call to Order, Roll Call, and Welcome

11:00 – 11:05

Consider for Approval: Minutes of the September 7, 2018 Board Meeting

11:05 – 11:30

Consider for Approval: Proposed FY2019 Budget

11:30

Wrap up and Adjournment

Board Vote

Call for a Motion to:

- **Approve** the Minutes of the September 7, 2018 Board Meeting

Call for the Motion to be Seconded:

- **Second** the Motion
- If further discussion, may propose an **Amendment** to the Motion or an **Alternative** Motion

Voice Vote:

- Vote to **Approve** the **Final** Motion
- Ask for votes in favor, opposed, and abstentions

Proposed FY2019 PCORI Budget (October 1, 2018 – September 30, 2019)

Larry Becker
Chair, Finance and Administration Committee

Regina Yan, MA
Chief Operating Officer

Agenda

☐ Key Definitions

☐ Funding Commitment Plan

- Current Funding Commitment Plan
- Cumulative Award Commitments vs. Award Payments

☐ Revenue and Expenditures

- Estimated Revenue and Expenditures
- Total Revenue vs. Total Expenditures per Year

☐ Fund Balances

- Projected FY2018 Fund Balance
- Projected FY2019 Fund Balance

☐ FY2019 Budget Overview

- Budget Development Process
- FY2019 Budget: By Major Component
- FY2019 Budget vs. FY2018 Projection

☐ Motion to Approve

Key Definitions



- **Award Commitments:** the amount of funding PCORI intends to award or has awarded, mostly in the form of multi-year contracts for research, infrastructure, engagement, and dissemination awards
- **Award Payments:** the amount PCORI pays to research, infrastructure, and engagement/ dissemination awardees in response to invoices received for costs incurred under awarded contracts

Note: Award commitments occur earlier than award payments. Award payments lag award commitments and the associated payments are spread over multiple years

- **Program Services:** all program award payments, as well as all other direct operating costs (including personnel associated with the Science, Infrastructure, Engagement, and Dissemination departments, as well as the Methodology Committee)
- **Program Support:** all operating costs, including personnel, associated with the Evaluation & Analysis, Program Support & Information Management, and Communications departments
- **Administrative Support:** all operating costs, including personnel, associated with the Board of Governors/Governance, Office of the Executive Director, General Counsel, and Office of the Chief Operating Officer, which also includes Information Technology, Finance, Procurement, Human Resources, and Administrative Services

Current Funding Commitment Plan

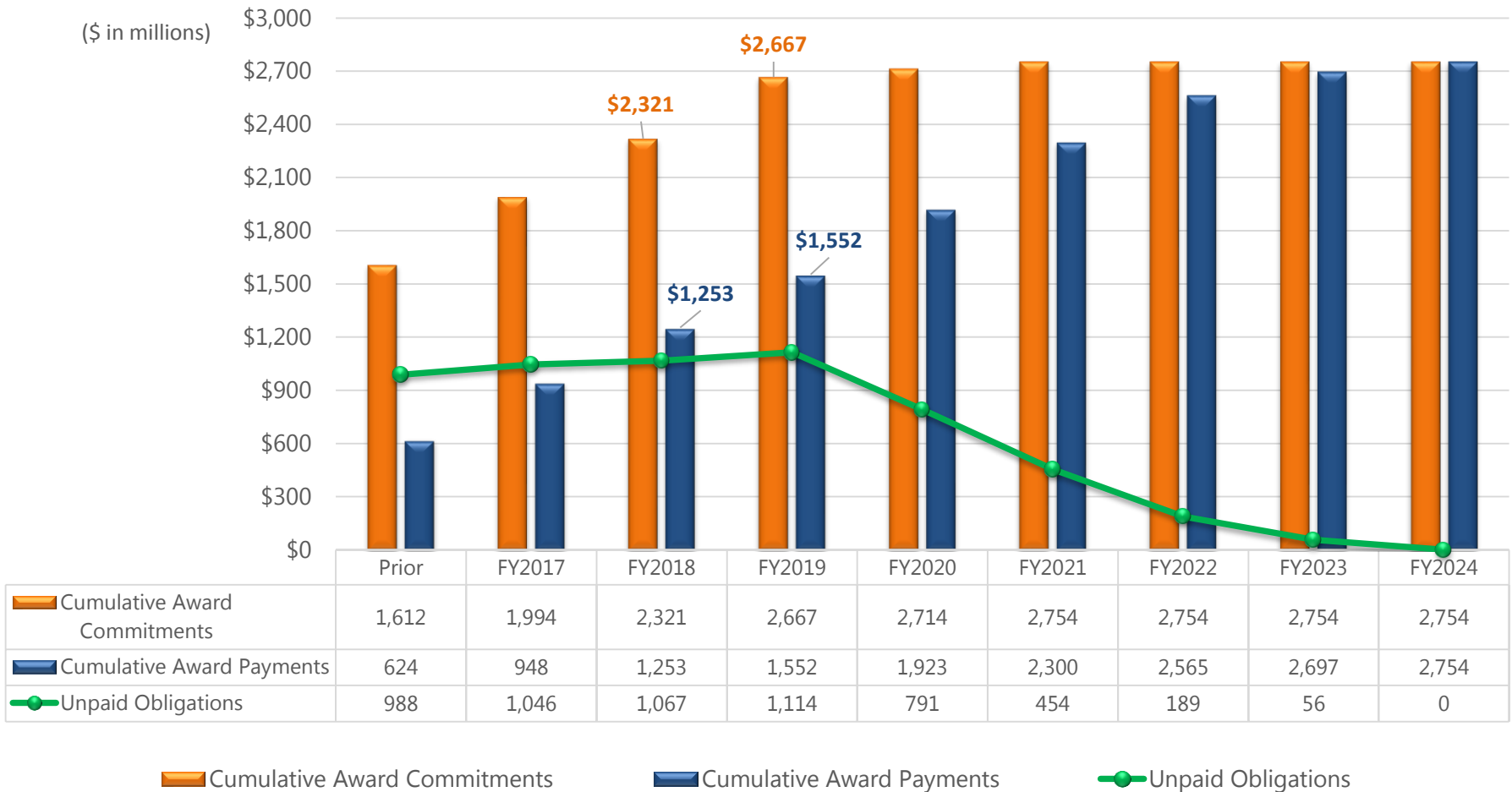
Through FY2021



At the end of FY2019, PCORI plans to have committed approximately \$2.667 billion, or 97%, of its total award commitment funds of \$2.754 billion

COMMITMENTS (\$ in millions)	Inception to FY2018	FY2019 and Beyond	Total Cumulative Commitments
Total Commitments	\$ 2,321	\$ 433	\$ 2,754

Cumulative Award Commitments vs. Award Payments



\$2.754 billion will be committed by fiscal year 2021 (including Dissemination Awards). Award payments are anticipated to continue through fiscal year 2024 until all research projects are completed

Estimated Revenue and Expenditures

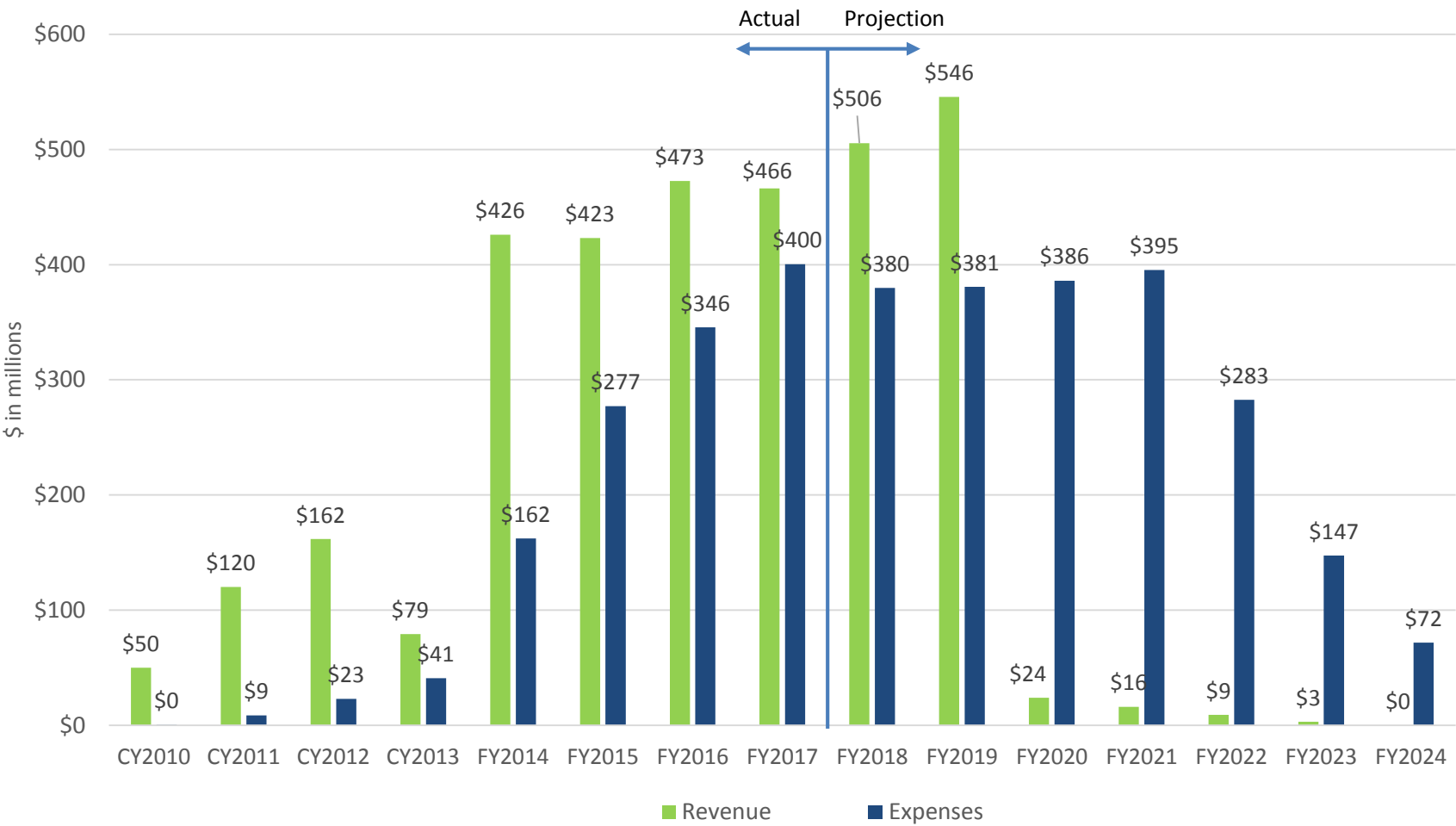


\$2.754 billion will be committed by fiscal year 2021; however, expenses will continue through fiscal year 2024 until all research projects are completed

	In Millions	% of Total Expenditures
Revenue	\$ 3,302	
Program Services (thru FY2024)	2,991	91%
<i>Award Payments</i>	<i>2,754</i>	<i>83.4%</i>
<i>Other Direct Program Costs</i>	<i>237</i>	<i>7.2%</i>
Program Support (thru FY2024)	109	3%
Admin Support (thru FY2024)	202	6%
Total Expenditures (thru FY2024)	\$ 3,302	100%

Total Revenue vs. Total Expenditures

Per Year



PCORI has modeled its cash flow to ensure proper management and closing out of research obligations. Operations are expected to occur through fiscal year 2024 based on revenue received through the PCOR Trust Fund

Projected FY2018 Fund Balance



PROJECTED FUND BALANCE *		
Accrual Basis (\$ in millions)		
Fund Balance at September 30, 2017	\$	941
Revenue (FY2018)		506
Expenses (FY2018)		(380)
Fund Balance at September 30, 2018	\$	1,066
Outstanding Award Obligations - September 30, 2018	\$	1,067

** Includes PCOR Trust Fund and bank accounts*

Projected FY2019 Fund Balance



PROJECTED FUND BALANCE *		
Accrual Basis (\$ in millions)		
Fund Balance at September 30, 2018	\$	1,066
Revenue (FY2019)		546
Expenses (FY2019)		(381)
Fund Balance at September 30, 2019	\$	1,231
Outstanding Award Obligations - September 30, 2019	\$	1,114

** Includes PCOR Trust Fund and bank accounts*

Annual Budget Development Process

PCORI's budget is developed through a comprehensive process grounded in its strategic plan



FY2019 Budget Overview

By Major Component

Draft FY2019 Budget



- 79%** Award Payments
- 8%** Other Direct Program Costs
- 5%** Program Support
- 8%** Administrative Support

2019 Budget			
REVENUE			
	\$	545,516,376	
EXPENSES			
PROGRAM SERVICES			
Award Payments		298,996,530	79%
Other Direct Program Costs		31,373,657	8%
TOTAL PROGRAM SERVICES		330,370,187	87%
PROGRAM SUPPORT		17,962,619	5%
ADMINISTRATIVE SUPPORT		32,501,362	8%
TOTAL EXPENSES	\$	380,834,168	100%

FY2019 Budget vs. FY2018 Projection

	2019 Budget		2018 Projection		FY'19 Budget vs. FY'18 Projection \$ Var % Var
REVENUES	\$ 545,516,376		\$ 506,030,515		\$ 39,485,861 8%
EXPENSES					
PROGRAM SERVICES (Award Payments & Other Direct Program Costs)					
Research	226,084,278		228,319,695		(2,235,417) (1%)
Infrastructure (PCORnet)	63,473,589		67,363,222		(3,889,633) (6%)
Engagement	29,445,887		31,770,632		(2,324,745) (7%)
Dissemination	11,366,433		6,908,016		4,458,417 65%
TOTAL PROGRAM SERVICES	330,370,187 87%		334,361,566 88%		(3,991,378) (1%)
PROGRAM SUPPORT					
Communications	7,569,005		5,624,254		1,944,751 35%
Program Support and Information Management	7,160,691		6,958,807		201,884 3%
Evaluation and Analysis	3,232,923		3,157,574		75,349 2%
TOTAL PROGRAM SUPPORT	17,962,619 5%		15,740,635 4%		2,221,983 14%
ADMINISTRATIVE SUPPORT					
Board of Governors/Governance	887,800		713,044		174,756 25%
Management and General	31,613,562		29,003,550		2,610,012 9%
TOTAL ADMINISTRATIVE SUPPORT	32,501,362 8%		29,716,593 8%		2,784,769 9%
TOTAL EXPENSES	\$ 380,834,168 100%		\$ 379,818,794 100%		\$ 1,015,374 0.3%

Board Vote

Call for a Motion to:

- **Approve** the Proposed FY2019 Budget

Call for the Motion to Be Seconded:

- **Second** the Motion
 - If further discussion, may propose an **Amendment** to the Motion or an **Alternative** Motion

Roll Call Vote:

- Vote to **Approve** the **Final** Motion
- Ask for votes in favor, opposed, and abstentions

Wrap Up and Adjournment

 202.827.7700

 info@pcori.org

 www.pcori.org

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