

EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE September 2016



CY 2015 Audit Results

- Financial Statements
 - Type of Auditor's Report Issued Unmodified
 - Material Weakness or Significant Deficiencies No
 - Noncompliance Materials No
- Federal Awards
 - Type of Auditor's Report Issued Unmodified
 - Material Weakness or Significant Deficiencies No
 - Reportable Audit Findings No
- Identification of Major Programs: Low-Risk Auditee
 - CDFA 11.441
 - Regional Fishery Management Councils
 - Type B Program (>\$750,000)
- Financial Statement Findings: None
- Federal Award Findings and Questioned Costs: None



CY 2016 Funding and Budget Summary

CURRENT FUNDING FOR CY 2015-2019 COOPERATIVE AGREEMENTS

Source of Funds or Designated Use	Dollars	Comments
New CY 2016 Funds		
Base and Ongoing Soft Funds:		
Received (1/12/16)	\$651,392	
Received (6/2/16)	\$3,548,471	
Total	\$4,199,863	2.5% Increase from Nov Assumption of \$4,096,000
Designated Supplemental Funding Received		
Groundfish Essential Fish Habitat Amendment (6/2)	\$165,547	<i>funded through December 2016</i>
Fishery Ecosystem Plan Initiatives (6/2)	\$61,768	<i>funded through March 2017</i>
Catch Share Program 5 year Review (6/14)	\$516,286	<i>funded through June 2018</i>
HMS Travel (SWFSC)	\$9,600	<i>funded through December 2016</i>
Sacramento River Winter Chinook (7/27)	\$35,265	<i>funded through December 2017</i>
Subtotal New Funds	\$4,988,329	\$35,265 Increase in Special Project Funds since June
Remaining Funds from 2015	\$1,994,550	
(Including Special Projects)		
Total Funds (On hand or expected as of Sept 1)	\$6,982,879	

APPROVED CY 2016 OPERATIONAL BUDGET

Item	Dollars	Comments
Approved CY 2016 Budget	\$4,831,268	Adopted in June
Projected Delayed Spending Account at Year End 2016	\$2,151,611	



Expenditures for CY 2016 through August

PFMC CY 2016 OPERATING BUDGET AND EXPENDITURES

Category	Total Budget 2016	Expenditures thru 8/31/16	% of Total Budget	Balance Remaining
Staff Wages & Benefits	\$ 2,151,329	\$ 1,332,393	61.93%	\$ 818,935
Travel	\$ 1,054,718	\$ 443,093	42.01%	\$ 611,625
Supplies & Services	\$ 589,799	\$ 308,457	52.30%	\$ 281,342
Contractual				
Council Member Compensation	\$ 227,366	\$ 138,471	60.90%	\$ 88,895
Advisory Body Stipends (2016)	\$ 69,499	\$ -	0.00%	\$ 69,499
Liaison & Plan (State, PSMFC, Other)	\$ 738,557	\$ 96,532	13.07%	\$ 642,025
Total 2016	\$ 4,831,268	\$ 2,318,947	48.00%	\$ 2,512,321

Detail of State and PSMFC Liaison and Planning, and Other Contractual for 2016

Contract	2016 Budget	Billed thru 8/31/16	Balance Remaining
Alaska - Liaison & Planning	\$ 22,527		\$ 22,527
California - Liaison & Planning	\$ 145,691		\$ 145,691
Idaho - Liaison & Planning	\$ 42,814	\$ 29,311	\$ 13,503
Oregon - Liaison & Planning	\$ 146,619		\$ 146,619
Washington-Liaison & Planning	\$ 136,619		\$ 136,619
PSMFC-Liaison & Planning	\$ 41,537	\$ 25,981	\$ 15,556
Subtotal	\$ 535,807	\$ 55,292	\$ 480,515
Other Contractual (e.g., GF Spx, CPS, IQ)	\$ 202,750	\$ 41,240	\$ 161,510
Grand Total	\$ 738,557	\$ 96,532	\$ 642,025



CY 2017 Budget Process

- COP 9 Requirements for Preliminary Annual Budget in September
 - Performance Obligations
 - Staffing Stability
 - Projected Costs
 - Balances and Current Costs
 - Current Funding Sources
 - Future Funding Sources
 - Multi-year Cash Flow Needs
 - Contingencies
 - Higher Priority Council Activities



Performance Obligations

- Grant - Basic Fishery Management Tasks
 - SAFE Documents - CPS, HMS, Groundfish, Salmon
 - Stock Assessments - CPS, Groundfish
 - Harvest Specifications and Management Measures - CPS, HMS, Groundfish, Salmon
 - Exempted Fishing Permits
 - Rebuilding Plans
 - Inseason Management - CPS, Groundfish, Salmon
 - Essential Fish Habitat Periodic Review - CPS, HMS, Groundfish, Salmon
 - Fishery Ecosystem Plan
 - Initiatives 8, 9 (Indicators and Climate Change)
 - Review and Prioritize Other Initiatives
 - Pacific Halibut Catch Sharing Plan and Incidental Landing Limits - Salmon and Groundfish
- 5-Year Research and Data Needs (2018)



Performance Obligations

- Grant - Basic Administrative Tasks
 - Manage Staff, Office, Equipment
 - Conduct 5 Council Meetings per Year
 - Prepare and Distribute Reports
 - Maintain Advisory Body Membership
 - Outreach
 - Maintain Contracts



Performance Obligations

- Grant - 2016/2017
 - Groundfish Stock Assessments and Methodology Review
 - Electronic Monitoring - Groundfish, DGN
 - Groundfish EFH Amendment
 - Fishery Ecosystem Plan Initiatives (Indicators and Climate Change)
 - Trawl Catch Share Review
 - Increase State/PSMFC Contracts
 - Available to States:
 - \$56,902 FEP, EFH 2016
 - \$22,151 Catch Share 2017



Performance Obligations

- Grant - Funding Contingent Tasks
 - Plan/Participate in CCC Meetings and Subcommittees, as Necessary
 - Hosting Scientific Coordination Subcommittee (of CCC) in 2017
 - Identify Collaborative Research Priorities
 - Participate in International Forums, as Necessary
 - Tri-national sardine, WCPFC, IATTC, IPHC, US/Canada Whiting, Others as Appropriate
 - Additional Council Staff for HMS and Groundfish
 - BOEM Forums, as Necessary
 - MSA Reauthorization, as Necessary
 - Public Hearings, as Necessary
 - Review and Revise SOPP, COP, ROA, as Necessary



Performance Obligations

- Special Projects Funded for 2017
 - Electronic Monitoring and Electronic Technology Plan
 - \$ 351,900 July 2015 through June 2017
 - EFH Groundfish Amendment
 - \$ 500,500 April 2015 through December 2016
 - Fishery Ecosystem Plan Initiatives 8 and 9 (Indicators and Climate Change)
 - \$ 166,800 April 2015 through March 2017
 - Catch Share Review
 - \$516,286 June 2016 through May 2018
 - Sacramento River Winter Chinook Workgroup
 - \$ 35,256 January 2016 through December 2017
 - Endangered Species Work Group
 - \$ 30,000 June 2013 - Indefinitely



Staffing Stability

- Fully Staffed
 - Maintain Current Staff
 - Fill Vacancies for Salmon Staff Officer and Executive/Administrative Support
- Salaries/Contract Shift from 2016 Due to ED Transition Plan
- Increased Salary, Health Care, and Life Insurance Costs



CY 2017 Budget

- Projected Costs for CCC Meetings - BC Request

Location	2014		2015		2016	
	February Wash. DC	Mid Year Virginia Beach	February Wash. DC	Mid Year Key West	February Wash. DC	Mid Year St Thomas
# Attending	3	4	4	4	5	4
Category						
Compensation	5,570	5,570	5,626	6,189	5,698	6,268
Travel Expenses	5,720	7,473	7,989	10,534	8,975	12,941
Total	11,291	13,043	13,615	16,723	14,673	19,210
Average Expenses per traveler	1,907	1,868	1,997	2,634	1,795	3,235



CY 2017 Budget

- Projected Costs for Council Meetings - BC Request

Category	2015 Actual ¹	2016 Budget ²	
Council Meeting Expense	227,330	244,246	Meeting Room expenses, Sound, and A/V
Copier Lease	12,216	12,280	Briefing Book Preparation/on-site
Postage	4,364	4,835	Shipping Briefing Books
Printing (Outsourcing)	2,044	4,000	2015 total Briefing Books
Meeting Software	3,955	5,000	Livestreaming of meetings, sound
Supplies	1,233	2,000	Briefing Book
CM Compensation	178,357	179,500	
Travel	713,423	728,903	
Totals	1,142,922	1,180,763	Total for five meetings
	228,584	236,153	Average cost per meeting (5 or 5 1/2 day)

Notes:

1) 2015 consisted of 27 Council Meeting days - March (4.5), April (5.5), June (5), September (6), November (6).

2) 2016 consists of 29 Council Meeting days - March (6), April (6), June (6), September (5.5), November (5.5) days.



CY 2017 DRAFT Budget

	2016	2017 Draft
• Staff Wages and Benefits	\$2,151,329	\$2,292,390
• Travel	\$1,054,718	\$ 989,070
• Supplies and Services	\$ 589,799	\$ 647,579
• Contractual		
• Council Member Compensation	\$ 227,366	\$ 228,688
• Advisory Body Stipends	\$ 69,499	\$ 69,499
• Liaison and Plan	\$ 738,557	\$ 622,600
• Total	\$4,831,268	\$4,849,826 - inc. \$125K for SCS
• Detail of State/PSMFC Liaison Contracts		
• Alaska	\$ 22,527	\$ 22,527
• California	\$ 145,691	\$ 133,212
• Idaho	\$ 42,814	\$ 37,527
• Oregon	\$ 146,619	\$ 141,524
• Washington	\$ 136,619	\$ 131,524
• PSMFC	\$ 41,537	\$ 41,537
• Total	\$ 535,807	\$ 507,850
• Plan Contracts (CSP, Spex, etc)	\$ 202,750	\$ 114,750



Current and Future Funding Sources

- House/Senate Marks:
 - \$34,250 M (2.2%) Increase from 2016 Councils/Commissions Line
 - Report language ambiguous
- Continuing Resolution is Most Likely
- Special Project Needs
 - FEP Implementation - Funded through March 2017
 - Allocation Review - Unfunded
 - Catch Share Review Implementation - Unfunded Beyond 2018
 - Electronic Technology Plan Implementation - Funded through July 2017
 - HMS/CCC Staffing - Unfunded
 - Collaborative Research Priorities - Unfunded
- Scientific Coordination Subcommittee (of CCC) Meeting
 - \$125,000 Request



CY 2017 Budget

- Multi-year Cash Flow Needs:

What is the effect of funding approximate status quo operations on the delayed spending account through time?

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
total budget	\$ 4,914,237	\$ 4,831,268	\$ 4,749,556	\$ 4,892,043	\$ 5,038,804	\$ 5,189,968	\$ 5,345,667
actual or assumed income							
base/ reliable soft funding	\$ 4,096,895	\$ 4,199,863	\$ 4,199,863	\$ 4,199,863	\$ 4,199,863	\$ 4,199,863	\$ 4,199,863
Special Project Supplemental Funding	\$ 819,007	\$ 768,866	\$ -	\$ -	\$ -	\$ -	\$ -
funding from the DSA	\$ 1,425,898	\$ 1,994,550	\$ 549,693	\$ 692,180	\$ 838,941	\$ 990,105	\$ 1,145,804
year end budget surplus/deficit	\$ 1,427,563	\$ 2,132,011					
Year-end DSA balance	\$ 1,994,552	\$ 2,132,011	\$ 1,582,317	\$ 890,137	\$ 51,196	\$ (938,909)	\$ (2,084,714)
					End of Grant		

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actual or assumed income							
base/ reliable soft funding	\$ 4,096,895	\$ 4,199,863	\$ 4,199,863	\$ 4,199,863	\$ 4,199,863	\$ 4,199,863	\$ 4,199,863
Special Project Supplemental Funding	\$ 819,007	\$ 768,866	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
funding from the DSA	\$ 1,425,898	\$ 1,994,550	\$ 49,693	\$ 192,180	\$ 338,941	\$ 490,105	\$ 645,804
year end budget surplus/deficit	\$ 1,427,563	\$ 2,132,011					
Year-end DSA balance	\$ 1,994,552	\$ 2,132,011	\$ 2,082,317	\$ 1,890,137	\$ 1,551,196	\$ 1,061,091	\$ 415,286
					End of Grant		



Contingencies

- Increase Revenue
 - Pursue Special Project Funding
 - Revise RFMC Sharing Formula
- Dip into Savings
 - Delayed Spending Account
- Reduce Expenses
 - Contracts
 - Benefits
 - Advisory Body Membership
 - Outside Meetings
 - Council Meetings
 - Staff Positions



Higher Priority Council Activities

- Specifications and Management Measures
- Stock Assessments
- Inseason Management
- Currently Funded Special Projects
- Research and Data Needs
- EFH and Catch Share Reviews
- FMP Amendments to Improve Process, Increase Fleet Efficiency
- Methodology Reviews, ESA coordination
- Comments on NMFS Policies, EFH Impact Comments



Higher Priority Council Activities 2017

- Specifications and Management Measures
 - CPS and Salmon
- Stock Assessments
 - CPS and Groundfish
- Inseason Management
 - Salmon and Groundfish
- Currently Funded Special Projects
 - EM, CSP, SRWC, EFH
- Research and Data Needs (2018)
- EFH Reviews
 - HMS
- FMP Amendments - Omnibus, DSBG, HMS Permits
 - Green light, DGN Permit
- Methodology Reviews
 - GF, Salmon, CPS
- FEP Initiatives
- Comments on NMFS Policies, EFH impact comments

