


Pacific Fishery Management Council


Pacific Council Budget Workshop

June 11, 2015
Spokane, Washington



Workshop Agenda

- I. Statements of Workshop Goals and Objectives
- II. Understanding the Council Budget Process
- III. Update the CY 2015 provisional budget adopted in November 2014 and recommend a final CY 2015 Operational Budget.
- IV. Review the Revised 2015-2019 Grant Application
- V. Expectations for the November Budget Committee Meeting and Future Budget Committee Workshops



I. Workshop Goal Statements

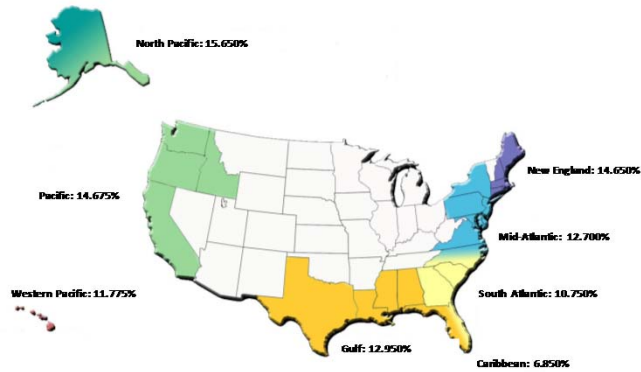
- a. Primary Goal: In an information sharing and educational context, provide Council Members with a broad understanding of the Council's budget processes, including objectives of full awareness on how funding is obtained, adopting annual budgets aligned with current priorities, dealing with special projects, and managing funding across calendar years.
- b. Secondary Goal 1: Update the CY 2015 provisional budget adopted in November 2014 and recommend a final CY 2015 Operational Budget.
- c. Secondary Goal 2: Review and approval of the 2015-19 Five Year Grant application, with consideration of revisions as appropriate.
- d. Not a Goal: Revisions or reprioritization of the CY 2015 budget beyond what would normally occur at June, September, or November Council meetings are not a goal or objective of this workshop.

Pacific Fishery Management Council

Agenda Item II: Understanding the Council Budget Process



Regional Council Traditional Sharing Formula



Funding Allocation by Council, FY 2001

Total Regional Fishery Management Council Line Item for FY 2001: \$ 13,150,000

Council	New England	Mid-Atlantic	South Atlantic	Caribbean	Gulf of Mexico	Pacific	North Pacific	Western Pacific
% Allocation	14.650%	12.700%	10.750%	6.850%	12.950%	14.675%	15.650%	11.775%
Amount	\$ 1,926,475	\$ 1,670,050	\$ 1,413,625	\$ 900,775	\$ 1,702,925	\$ 1,929,763	\$ 2,057,975	\$ 1,548,413

FY 2015 Council Funding

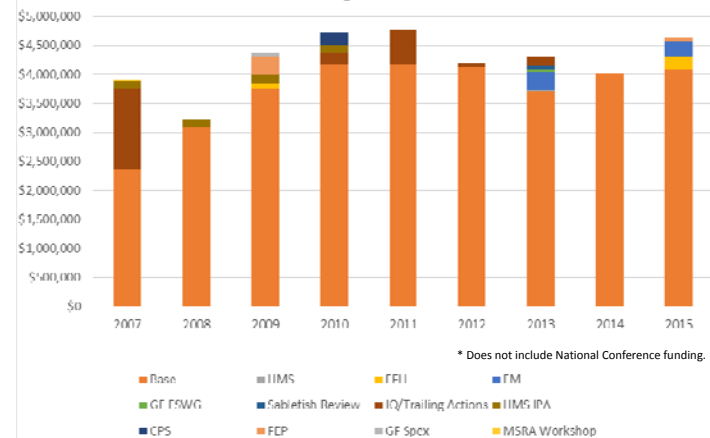
[Estimate based on current spend plan and is subject to change]

NMFS Funding Source	FY2013 Spend Plan	FY2014 Spend Plan	FY2015 Spend Plan Proposed	New England	Mid-Atlantic	South Atlantic	Gulf of Mexico	Caribbean	North Pacific	Pacific	Western Pacific
Regional Council PPA	\$20,861,239	\$22,560,181	\$23,233,178	\$3,403,661	\$2,960,613	\$2,497,596	\$2,008,697	\$1,591,473	\$3,635,991	\$3,406,468	\$2,735,708
National Environmental Policy Act	\$707,049	\$756,149	\$755,824	\$110,728	\$95,900	\$81,251	\$97,879	\$51,774	\$118,286	\$110,917	\$88,988
Fisheries Research and Management Program PPA											
ACL Implementation	\$1,631,906	\$1,678,251	\$1,677,516	\$245,766	\$213,046	\$180,333	\$217,239	\$114,909	\$262,531	\$246,176	\$197,528
Regulatory Streamlining Program	\$765,545	\$803,423	\$803,077	\$117,651	\$101,891	\$86,231	\$103,998	\$55,011	\$125,681	\$117,351	\$94,663
SSC Stipends	\$400,705	\$473,789	\$473,582	\$69,379	\$60,146	\$50,910	\$61,329	\$32,440	\$74,115	\$69,499	\$55,704
Council Peer Review	\$400,705	\$473,789	\$473,582	\$71,038	\$0	\$118,295	\$0	\$0	\$0	\$142,074	\$142,075
Expand Annual Stock Assessments	\$455,815	\$512,502	\$511,898	\$0	\$0	\$481,942	\$29,916	\$0	\$0	\$0	\$0
FY 2015 Spend Plan (proposed)			\$27,928,618	\$4,018,213	\$3,421,704	\$3,496,729	\$3,519,058	\$1,845,007	\$4,216,605	\$4,006,085	\$3,314,637
FY 2014 Spend Plan		\$27,258,094		\$3,919,897	\$3,336,518	\$3,425,213	\$3,432,193	\$1,799,617	\$4,111,535	\$3,997,522	\$3,235,643
FY2013 Spend Plan	\$25,340,062			\$3,647,592	\$3,102,175	\$3,170,579	\$3,189,501	\$1,673,217	\$3,822,754	\$3,722,907	\$3,014,440

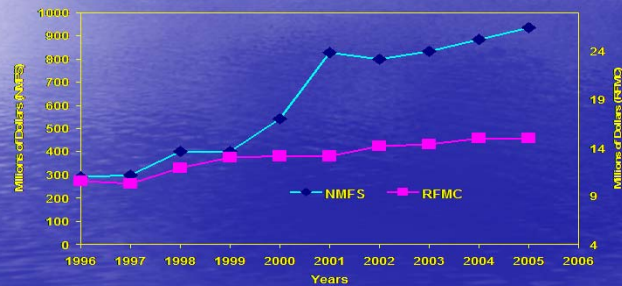


Amounts shown on this table include reductions for MJA, 8.1% Hollings, and 8.28% reprogramming
U.S. Department of Commerce | National Oceanic and Atmospheric Administration | NOAA Fisheries | Page 5

Council Funding Sources Since 2007 *



Relative Funding NMFS and RFMC, 1996 - 2005



2010-2014 Multi Year Award

	2010	2011	2012	2013	2014	Total
Requested	4,181,119	4,570,901	5,026,176	5,370,098	5,751,008	24,899,302
<u>Funded amount</u>	<u>4,572,324</u>	<u>5,173,135</u>	<u>4,295,031</u>	<u>4,302,939</u>	<u>4,004,549</u>	<u>22,347,978</u>
Difference	391,205	602,234	-731,145	-1,067,159	-1,746,459	-2,551,324



Sustainable Fisheries Division

FY 2015 Budget Allocations

But Things Are Changing All the Time

June 11, 2015



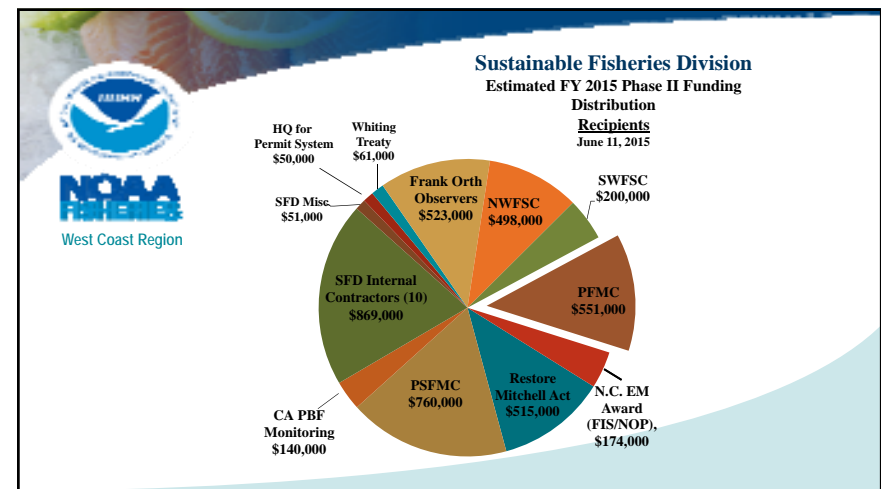
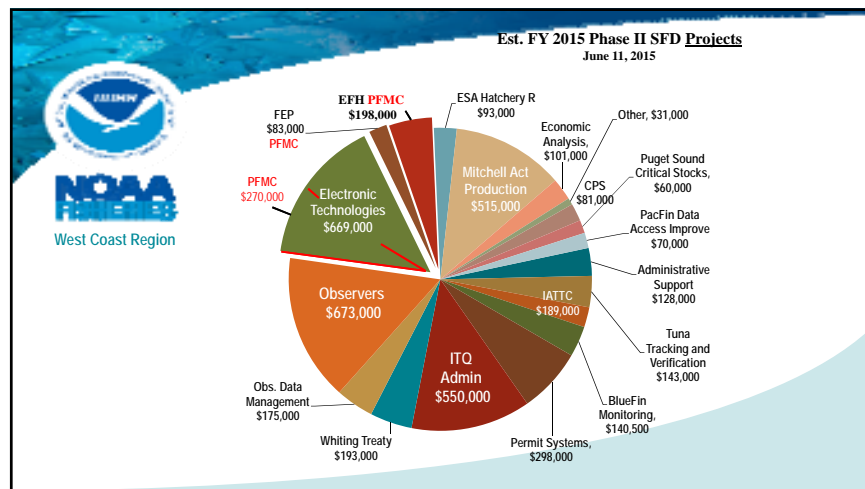
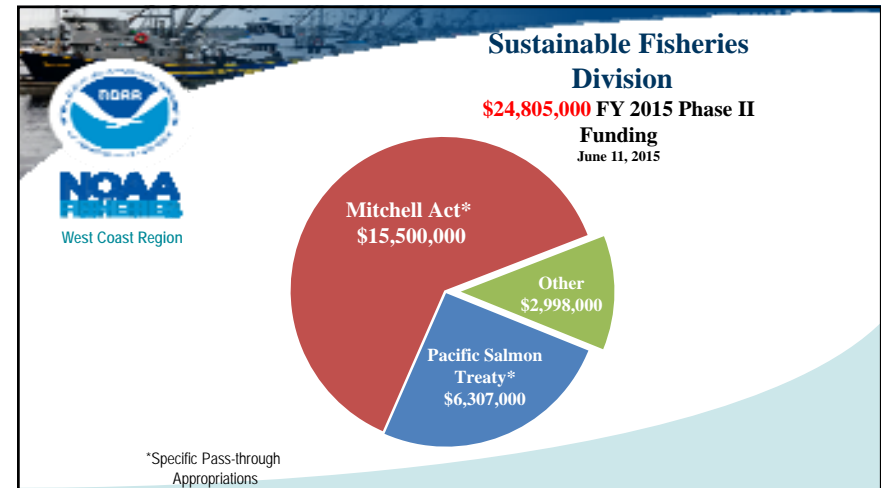
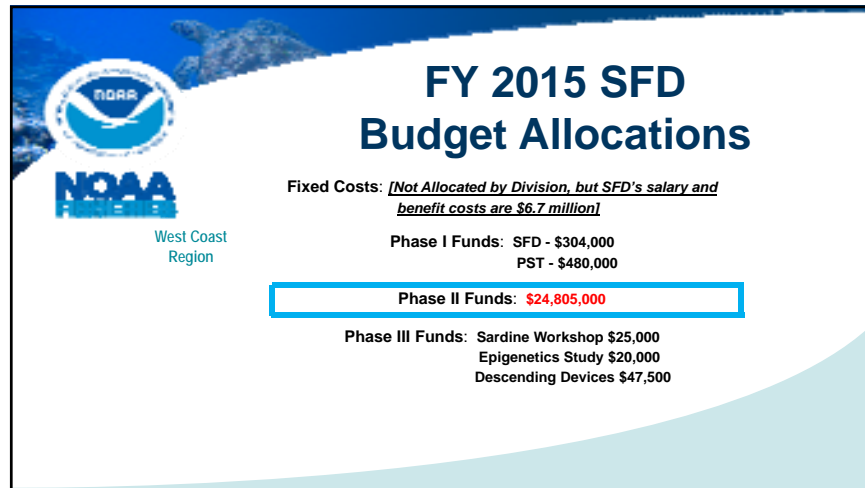
Budget Structure and Terminology

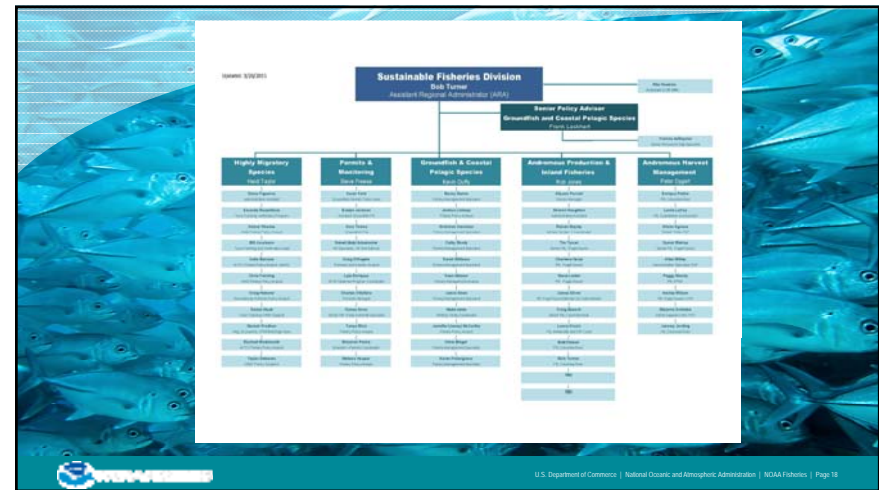
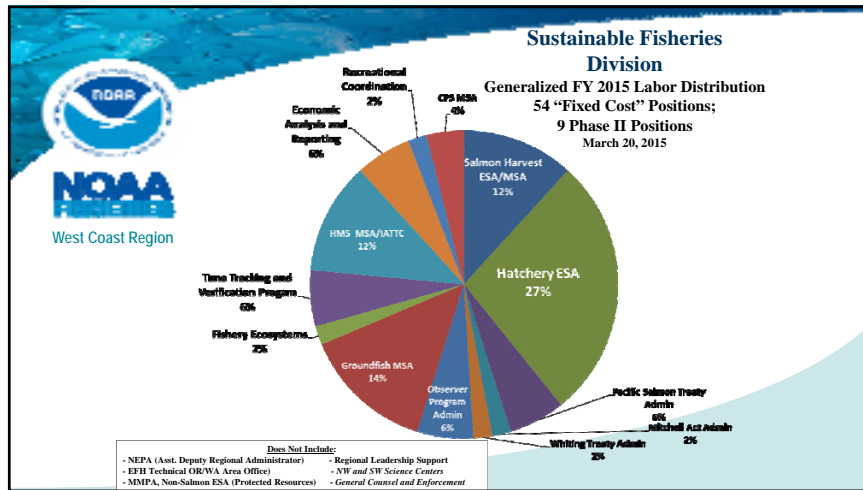
Fixed Costs: *Regionally* managed funds covering FTE salaries, rent, utilities, and vehicles in all divisions.

Phase I Funds: Allocated to each *Division* for travel ("hard cap"), and *per capita* for training, and "Cash in Your Account" spot awards.

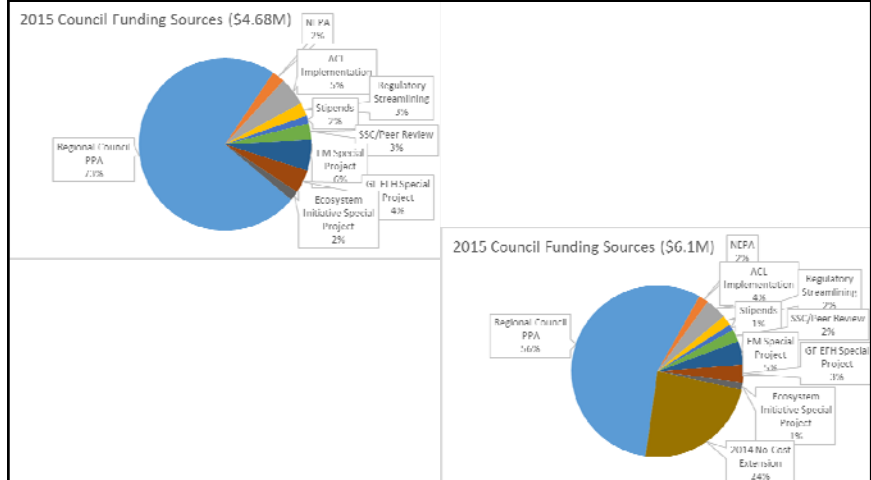
Phase II Funds: *Division* managed funds used to pay contractor salaries, supplies, PFMC grants, Pacific States grants, and transfers to the science centers or HQ for services.
(SFD receives Phase II Funds from 23 appropriated fund sources.)

Phase III Funds: A small *Regionally* managed fund awarded through a competitive process for specific projects proposed by divisions.

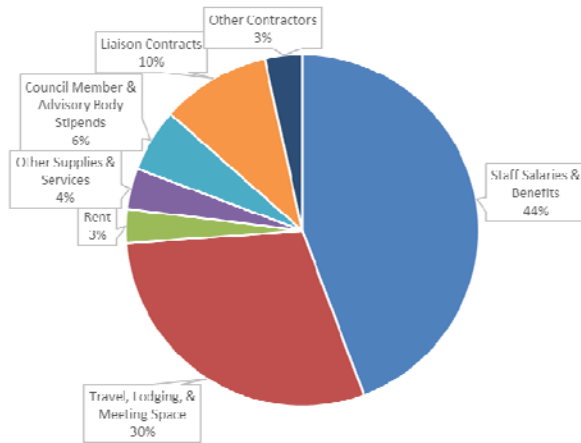
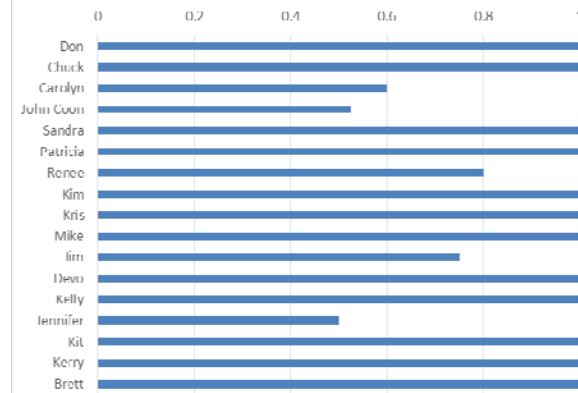




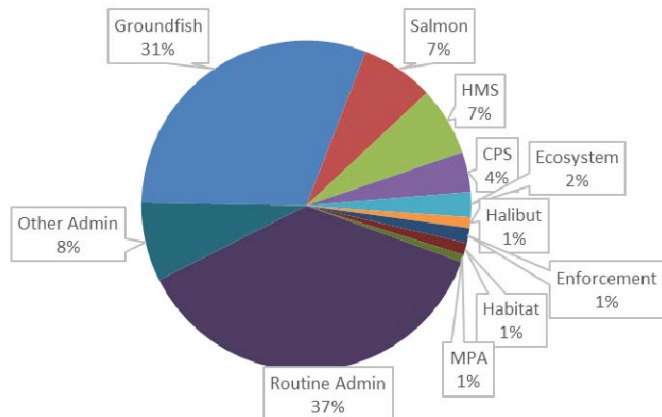
How the Council Spend Its Money



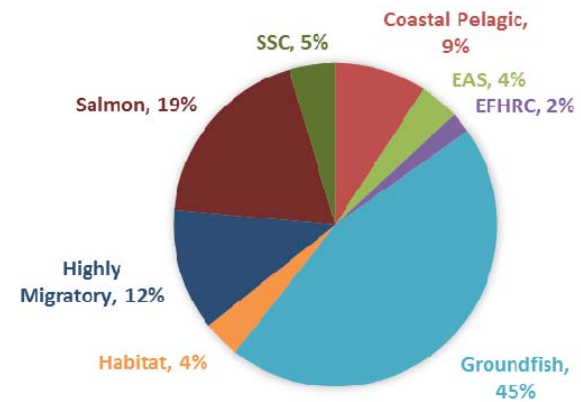
2015 Annual Expenses By Budget Category

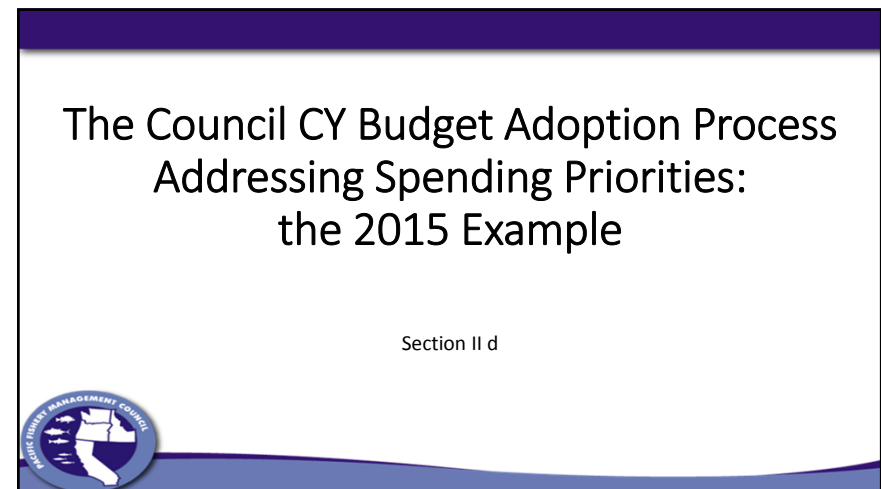
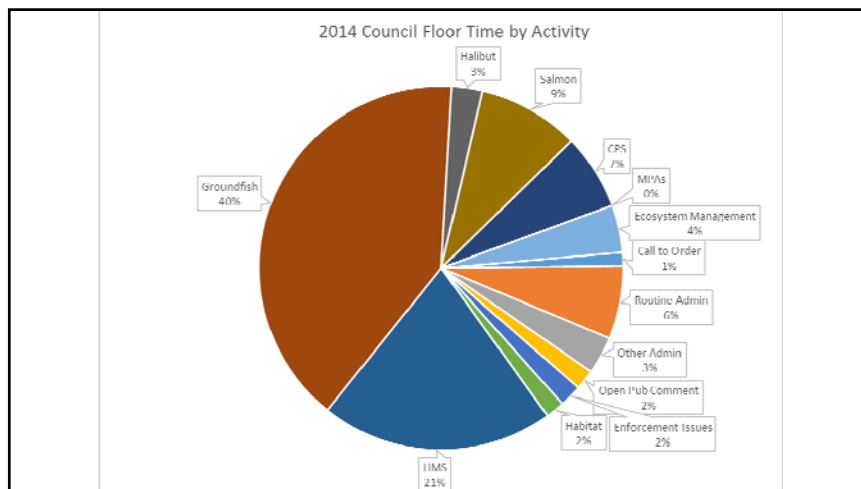
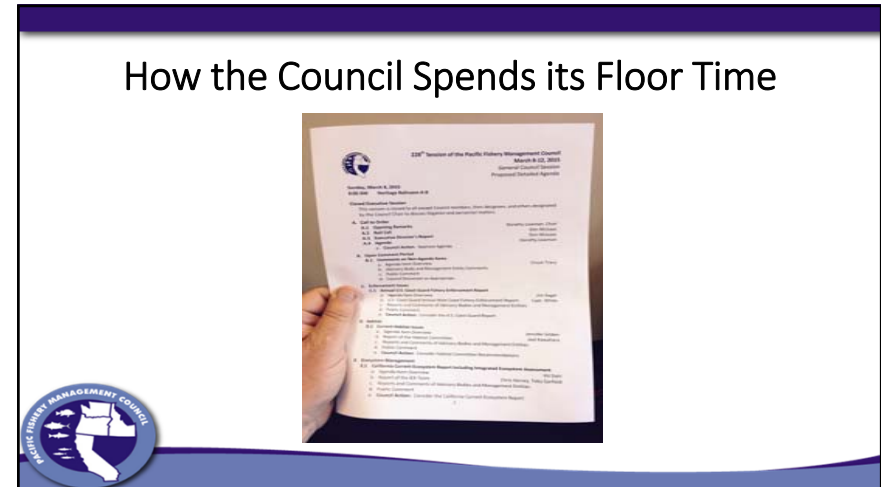
Council Staff
17 Employees, 15.2 FTEs

2015 Staff Funding by Activity



2014 EXPENSE BY ADVISORY SUBPANEL DAYS





- Provisional CY Budget adopted in November, prior to knowledge of actual incoming FY funding
- Provisional CY Budget reconsidered in March or April Council meetings if incoming funding is significantly different than presumed
- Provisional CY Budget updated and adopted as the final CY Operational Budget at the June Council Meeting
- Spending reviewed by the Budget Committee at the June, September, and November Council meetings

1. Funding security and stability through time
 - Requires delayed spending account
2. Staffing stability
3. High-level staff performance and Council meeting efficiency
4. State contracts stability
5. "Routine" vs. "Special" projects
 - Special projects of significant size have to pay their own way

- **Agenda and Workload Planning at the End of Each Council Meeting**
 - Conduct five Council meetings per year; target no more than 5.5 days each
 - Project prioritization considered five times per year
- **Budget Committee Meetings**
 - In November, recommend budgets in accordance with higher level principles and ongoing project priorities
 - Review spending during the year

[illegible]

1. What is a reasonable expectation of incoming funding in 2015 and the next few years?
2. What is a budget that reflects stability in current operations?
3. What is the effect of funding stable operations on the delayed spending account through time?
4. What is a reasonable CY 2015 provisional budget?

What is a reasonable expectation of incoming funding in 2015 and the near-future years?

Funding Source	2009	2010	2011	2012	2013	2014	2015 +
RFMC Base and Stable Soft Funding	\$ 3,395,489	\$ 4,162,302	\$ 4,163,135	\$ 4,128,808	\$ 3,722,780	\$ 3,999,085	\$ 3,999,085
Special Supplemental Funding	\$ 485,000	\$ 400,000	\$ 609,340	\$ 56,223	\$ 580,132	\$ 5,464	?
total	\$ 3,881,489	\$ 4,572,302	\$ 4,772,475	\$ 4,185,031	\$ 4,302,912	\$ 4,004,549	\$ 3,999,085

What is the effect of funding stable operations on the delayed spending account through time?

	2014	2015	2016	2017
Total budget	\$ 4,476,870	\$ 4,741,136	\$ 4,835,959	\$ 4,981,037
Assumed income	\$ 4,004,549	\$ 3,999,085	\$ 3,999,085	\$ 3,999,085
Delayed spending	\$ 472,321	\$ 742,051	\$ 715,150	
DSA balance	\$ 1,457,201	\$ 715,150	\$ (121,723)	\$ (981,952)

What is a reasonable expectation of incoming funding in 2015 and the near-future years?

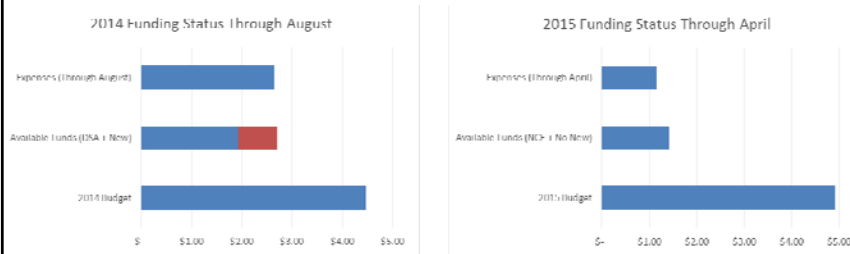
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Delayed Spending Account Dynamics

- Sources
- Purposes and Functions
- Limitations



The Fiduciary Safety-Net Function of the Delayed Spending Account



“Routine” and “Special” Projects

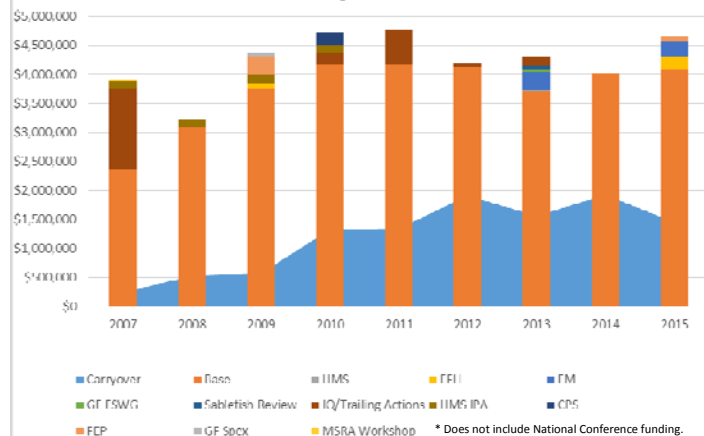
“Routine”

- March/April salmon season setting
- Salmon methodology reviews
- Groundfish biennial specs process
- STAR Panel reviews
- CPS & HMS season setting processes
- Pacific Halibut season setting
- Minor FMP Amendment processes
- EFP processes
- Council Coordination Committee

“Special”

- Groundfish trawl IFQ trailing actions
- Electronic Monitoring in IFQ fisheries
- Groundfish EFH Amendment
- Fishery Ecosystem Plan
- Major litigation responses and specific settlement obligations

Council Funding Sources Since 2007 *



Special Projects Request (see handouts)

- Electronic Technology Implementation
 - 2015 - 2017
 - \$351,900
- Groundfish EFH Amendment
 - 2015-2016
 - \$500,500
- Fishery Ecosystem Plan Implementation
 - 2015 - 2017
 - \$166,800



Review and Approve the 2015 Operational Budget

Section III



Budget Committee Attachment 1

FUNDING AND BUDGET SUMMARY			
CURRENT FUNDING FOR CY 2010-2014 and 2015-2019 COOPERATIVE AGREEMENTS			
Source of Funds or Designated Use		Dollars	Comments
New CY 2015 Funds			
Base and Ongoing Soft Funds:			
Received (4/21/15)		\$3,536,470	
Expected		\$569,515	Based on NMFS 2/14/15 Proposed Spending Plan
Total		\$4,095,985	2.3% Increase from Nov Assumption of \$4,004,549
			\$97 K more than 2014 base funds (2.4% increase)
Designated Supplemental Funding Expected			\$373 K more than 2013 base funds (3.6% increase)
Electronic Monitoring and Technology		\$269,500	Special Project Funding from Nov. Request
Groundfish Essential Fish Habitat Amendment		\$198,612	Special Project Funding from Nov. Request
Fishery Ecosystem Plan Initiatives		\$83,000	Special Project Funding from Nov. Request
Assist in International HMS Mgmt (July)		\$4,000	ISC IWC 2015 Meeting (estimate)
Sardine Distribution Workshop		\$25,000	Settlement requirement of Oceana v. Pritzker
Subtotal New Funds		\$4,676,097	
No-Cost Extension from 2010-14		\$1,425,898	
(Including Special Projects)			
Total Funds (On hand or expected as of May 28)		\$6,101,995	

Budget Committee Attachment 1 (con't)

NOVEMBER 2014 COUNCIL GUIDANCE REGARDING CY 2015 OPERATIONAL BUDGET		
Adopted November Financial Recommendations	Provisional Budget	
• Approved Provisional CY 2015 Operational Budget	\$4,741,136	
Direct Council staff to work with NMFS to pursue special supplemental funding for the following projects, in priority order: 1) Electronic monitoring and electronic technology considerations for July, 2015 through June, 2017; 2) Groundfish Essential Fish Habitat Amendment 26 and 3) Fishery Ecosystem Plan initiatives.		
Employ the following contingency responses when the actual funding becomes known: a. If the actual funding income is within a range of + 5 percent than assumed, the recommended provisional budget will be updated with known values for mandatory adjustments such as travel and per diem or COLA value changes, and be used until presented to the BC for confirmation (typically at the June Council meeting). b. If the actual funding income is more than 5 percent different than assumed, the BC will be convened at the March, April, or June Council meeting, depending on when the income information is known, for a discussion of options.		
PROPOSED CY 2015 OPERATIONAL BUDGET		
Item	Dollars	Comments
Provisional CY 2015 Budget	\$4,741,136	Adopted November 2014
Proposed Adjustments to Projects & Expenses:		Mostly salary adjustments, meeting and travel expenses, updated Council member compensation and special project funding
Total Other Adjustments	\$173,101	
Proposed CY 2015 Operational Budget	\$4,914,237	
Projected Delayed Spending Account at Year End 2015	\$1,187,758	

Budget Committee Attachment 2

June 2015 PFMC Budget Committee Report				
PROPOSED CY 2015 OPERATIONAL BUDGET AND EXPENDITURES				
Category	Total Budget 2015	Expenditures thru 5/31/15	% of Total Budget	Expenditures Remaining
Staff Wages & Benefits	\$ 2,178,081	\$ 878,119	40%	\$ 1,299,962
Travel	\$ 1,125,140	\$ 285,554	25%	\$ 839,586
Supplies & Services	\$ 663,568	\$ 170,177	26%	\$ 493,391
Contractual				
Council Member Compensation	\$ 216,616	\$ 75,394	35%	\$ 141,222
Advisory Body Stipends	\$ 69,499	\$ -	0%	\$ 69,499
Liaison & Plan (State, PSMFC, Other)	\$ 661,233	\$ 41,110	6%	\$ 620,123
Total 2015	\$ 4,914,237	\$ 1,450,354	30%	\$ 3,463,883
Detail of State and PSMFC Liaison and Planning, and Other Contractual for 2015				
Contract	2015 Budget	Billed thru 5/31/15	Balance Remaining	
Alaska - Liaison & Planning	\$ 22,527	\$ -	\$ 22,527	
California - Liaison & Planning	\$ 133,212	\$ -	\$ 133,212	
Idaho - Liaison & Planning	\$ 37,527	\$ -	\$ 37,527	
Oregon - Liaison & Planning	\$ 134,140	\$ -	\$ 134,140	
Washington-Liaison & Planning	\$ 124,140	\$ -	\$ 124,140	
PSMFC-Liaison & Planning	\$ 41,537	\$ -	\$ 41,537	
Subtotal	\$ 493,083	\$ -	\$ 493,083	
Other Contractual (e.g., GF Spx, Sal, ID)	\$ 188,250	\$ 41,110	\$ 127,140	
Grand Total	\$ 681,333	\$ 41,110	\$ 620,223	

Budget Committee Attachment 3 (revised)

June 2015 Staff Informational Report

PFMC CY 2014 OPERATIONAL BUDGET* AND EXPENDITURES

Category	Total Budget 2014	Final 2014 Expenditures	% of Total Budget
Staff Wages & Benefits	\$ 2,151,758	\$ 2,144,583	100%
Travel	\$ 902,053	\$ 836,806	93%
Supplies & Services	\$ 527,945	\$ 463,588	88%
Contractual			
Council Member Compensation	\$ 189,394	\$ 208,890	110%
Advisory Body Stipends	\$ 69,637	\$ 69,750	100%
Liaison & Pn (State, PSMFC, Other)	\$ 636,083	\$ 603,343	95%
Total 2014	\$ 4,476,870	\$ 4,326,961	97%

* Total operational budget includes Regional Fishery Management Council Line Item for 2014 with supplemental funding

Detail of State and PSMFC Liaison and Planning, and Other Contractual for 2014

Contract	2014 Budget	Final 2014 Expenditures	Balance Remaining
Alaska - Liaison & Planning	\$ 22,527	\$ 9,863	\$ 12,664
California - Liaison & Planning	\$ 143,212	\$ 143,212	\$ -
Kaho - Liaison & Planning	\$ 37,527	\$ 26,837	\$ 10,690
Oregon - Liaison & Planning	\$ 134,140	\$ 134,140	\$ -
Washington-Liaison & Planning	\$ 124,140	\$ 124,004	\$ 136
PSMFC-Liaison & Planning	\$ 41,537	\$ 41,537	\$ -
Subtotal	\$ 603,083	\$ 479,593	\$ 23,490
Other Contractual (e.g., GF Sps, Salmon, IO)	\$ 133,000	\$ 123,750	\$ 9,250
Grand Total	\$ 636,083	\$ 603,343	\$ 32,740

Review the Revised 2015-2019 Grant Application

Section IV



How Does the Grant Process Work?

- The Council receives administrative funds through cooperative agreements from the U.S. Department of Commerce.
 - The Council may not independently enter into agreements, including grants, contracts, or cooperative agreements
 - All agreements must be approved and entered into by NMFS on behalf of the Council.
 - The Council is not authorized to accept gifts or contributions directly. All such donations must be directed to NMFS in accordance with applicable DOC regulations.
 - The Council applies for funds to the NOAA Grants Management Division
 - 5-Year Cooperative Agreement with annual spending plans
 - Allows Council to receive funds up to the amount in the Agreement
 - Out-year grant budgets are not expectations, but spending authorizations (i.e., placeholders)
 - 2015 funds limited to 2015 grant budget – this is why we have submitted a revision
 - Additional funds received for unexpected programs may require amending Agreement

What is in the 2015-2019 Grant

- Authorization for a 2015-16 spending plan for all funds on hand and expected to be received in 2015
 - \$1,425,000 No-Cost Extension of 2010-2014 Grant (delayed spending account)
 - \$4,096,000 Regional Council PPA and other line items for 2015
 - \$ 580,000 Special Projects Funding
 - \$ 25,000 Sardine Workshop Funding
 - \$ ~4,000 Travel for ISC Meeting
- 2015 Grant Application Budget (not Operational Budget)
 - One new Staff Officer and one new Administrative position
 - Increase of \$126,000 in WA, OR, CA, and ID Liaison Contracts
 - Increase in Other Contractual of \$709,122
 - 6-Day Council meetings in September and November

What is in the 2015-2019 Grant

- Authorization for a 2016-19 spending plan for all funds expected to be received in 2015-19
- 2016-2019 Budgets
 - Two additional new Staff Officers
 - Additional increase of \$230,137 in WA, OR, CA, ID, and PSMFC Liaison Contracts
 - 5½ day Council meetings
 - Inflationary assumptions, step increases, etc.

What is in the 2015-2019 Grant

Pacific Fishery Management Council		Preliminary		Combined		Proposed		Proposed		Proposed		Proposed		Total	
Overall CY 2015 -2019 Budget		Proposed	Proposed	Preliminary	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
		Budget for	Budget for	Budget for	Budget for	Budget for	Budget for	Budget for	Budget for	Budget for	Budget for	Budget for	Budget for	Grant	15-19
		CY 2014 Ext	CY 2015	CY 2015	CY2016	CY 2017	CY 2018	CY 2019							
Personnel		\$ 791,118	\$ 1,533,794	\$ 2,324,912	\$ 2,748,306	\$ 2,853,888	\$ 2,957,133	\$ 3,068,613						\$ 13,161,733	
Travel	Transportation, meals/lodging, etc.	\$ 348,489	\$ 902,989	\$ 1,251,478	\$ 1,107,822	\$ 1,090,227	\$ 1,093,310	\$ 1,273,502						\$ 5,467,851	
Services/Supplies		\$ 142,104	\$ 481,645	\$ 623,749	\$ 738,102	\$ 700,803	\$ 769,153	\$ 855,323						\$ 3,545,025	
Contractual															
	Council Member Compensation	\$ 59,077	\$ 204,275	\$ 263,352	\$ 245,250	\$ 264,781	\$ 272,725	\$ 280,906						\$ 1,267,937	
	Advisory Body Stipends	\$ 83,000	\$ 83,000	\$ 83,000	\$ 87,550	\$ 90,177	\$ 92,882	\$ 95,668						\$ 449,277	
	ADFG		\$ 22,527	\$ 22,527	\$ 22,527	\$ 22,527	\$ 22,527	\$ 22,527						\$ 112,635	
	CDFG-Participation		\$ 178,212	\$ 178,212	\$ 241,279	\$ 241,279	\$ 241,279	\$ 241,279						\$ 1,143,328	
	IDFG		\$ 47,527	\$ 47,527	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000						\$ 267,527	
	ODFW-Participation		\$ 169,140	\$ 169,140	\$ 242,207	\$ 242,207	\$ 242,207	\$ 242,207						\$ 1,137,968	
	PSMFC-Participation		\$ 41,537	\$ 41,537	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000						\$ 281,537	
	WDFW-Participation		\$ 159,140	\$ 159,140	\$ 232,207	\$ 232,207	\$ 232,207	\$ 232,207						\$ 1,087,968	
	Subtotal Contractual Liaison		\$ 618,083	\$ 618,083	\$ 848,220	\$ 848,220	\$ 848,220	\$ 848,220						\$ 4,010,963	
Other Contractual		\$ 65,110	\$ 877,372	\$ 942,482	\$ 161,750	\$ 161,750	\$ 161,750	\$ 161,750						\$ 1,524,372	
Total Contractual		\$ 124,187	\$ 1,782,730	\$ 1,906,917	\$ 1,342,770	\$ 1,364,928	\$ 1,375,577	\$ 1,386,545						\$ 7,252,549	
Capital Outlay		\$ 20,000	\$ 20,000	\$ 40,000	\$ 8,500	\$ 8,500	\$ 8,500	\$ 10,000						\$ 55,500	
Total Funding Requested		\$ 1,425,898	\$ 4,721,157	\$ 6,147,055	\$ 5,945,499	\$ 6,018,346	\$ 6,203,673	\$ 6,593,982						\$ 29,482,658	