

# EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE November 2017



# BUDGET COMMITTEE TASKS

At this meeting the Budget Committee needs to:

- Review status of 2017 Operating Budget
- Recommend a provisional 2018 budget
- Recommend priorities for budget planning and modifications\*



\* COP 9: Budget Committee modifies/approves the proposed preliminary budget and forwards recommendations to the Council for approval provisional use beginning January 1 of the next year.

# CY 2017 Funding and Budget Summary

Source of Funds or Designated Use	Dollars	Comments
<b>New CY 2017 Funds</b>		
Base and Ongoing Soft Funds Received:		
Received (1/12/17)	\$672,173	Base PPA
Received (3/22/17)	\$1,037,935	Base PPA
Received (7/31/17)	\$2,569,733	Base PPA, Ongoing Soft, and Stipends
<b>Subtotal</b>	<b>\$4,279,841</b>	
Designated Supplemental Funding Received		
National SCS	\$125,000	<i>Requested \$125K</i> 2018
HMS International Travel	\$3,500	<i>Requested \$3.5K for ISC Rappatour</i> 2017
Fishery Ecosystem Plan Initiatives	\$90,000	<i>Partially funded thru 2017 \$276 full request</i> 2017-2019
Intersector QP Trading	\$125,000	<i>IFQ Omnibus Request CSR Follow-on</i> 2017-2018
Annual Catch Limit Implementation and Flexibility	\$149,125	<i>Requested \$149K</i> 2017-2018
EFH/RCA	\$150,000	<i>Requested \$150K</i> 2017-2018
Swordfish Management	\$59,000	<i>Non-specific request</i> 2018
<b>Subtotal</b>	<b>\$701,625</b>	
<b>Total New Funds</b>	<b>\$4,981,466</b>	
<b>Remaining Funds from 2016</b>	<b>\$2,670,054</b>	<i>355K Obligated for Catch Share Review in 2017</i>
(Including Special Projects/Funds not utilized in prior year.)		
<b>Total Funds On Hand (or expected as of Sept 1)</b>	<b>\$7,651,520</b>	



# Expenditures for CY 2017 through September

Category	Total Budget 2017	Expenditures thru 9/30/17	% of Total Budget	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)	% of Total Budget
Staff Wages & Benefits	\$ 2,189,503	\$ 1,536,059	70.16%	\$ 603,790	\$ 49,654	97.73%
Travel	\$ 975,184	\$ 598,897	61.41%	\$ 345,500	\$ 30,788	96.84%
Supplies & Services	\$ 598,255	\$ 391,486	65.44%	\$ 156,245	\$ 50,524	91.55%
Contractual						
Council Member Compensation	\$ 236,711	\$ 158,777	67.08%	\$ 64,558	\$ 13,377	94.35%
Advisory Body Stipends	\$ 69,499	\$ -	0.00%	\$ 69,499	\$ -	100.00%
Liaison & Pln (State, PSMFC, Other)	\$ 673,601	\$ 136,918	20.33%	\$ 448,677	\$ 88,006	86.93%
<b>Total 2017</b>	<b>4,742,753</b>	<b>\$ 2,822,236</b>	<b>59.50%</b>	<b>\$ 1,688,268</b>	<b>\$ 232,348</b>	<b>95.10%</b>

Projected Delayed Spending Account at year end 2017

\$ 3,141,115

## Detail of State and PSMFC Liaison and Planning and Other Contractual for 2017

Contract	2017 Budget	Billed thru 9/30/17	Balance Remaining	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)
Alaska - Liaison & Planning	\$ 22,527	\$ -	\$ 22,527	\$ 9,011	\$ 13,516
California - Liaison & Planning	\$ 133,212	\$ -	\$ 133,212	\$ 133,212	\$ -
Idaho - Liaison & Planning	\$ 37,527	\$ 33,693	\$ 3,834	\$ 3,834	\$ -
Oregon - Liaison & Planning	\$ 141,524	\$ 23,536	\$ 117,988	\$ 117,988	\$ -
Washington-Liaison & Planning	\$ 131,524	\$ -	\$ 131,524	\$ 131,524	\$ -
PSMFC-Liaison & Planning	\$ 41,537	\$ 23,009	\$ 18,528	\$ 18,528	\$ -
Subtotal	\$ 507,851	\$ 80,238	\$ 427,613	\$ 414,097	\$ 13,516
Other Contractual (e.g., GF Spx, Sal, IQ)	\$ 165,750	\$ 56,680	\$ 109,070	\$ 34,580	\$ 74,490
<b>Grand Total</b>	<b>\$ 673,601</b>	<b>\$ 136,918</b>	<b>\$ 536,683</b>	<b>\$ 448,677</b>	<b>\$ 88,006</b>



# 2018 Budget Planning

- COP 9: November - Budget Committee modifies/approves the proposed preliminary budget and forwards recommendations to the Council for approval and provisional use beginning January 1 of the next year.
  - Staff proposed 2018 provisional budget is based on Routine Activities, ongoing priorities, and currently funded Special Projects
  - Assumes current staffing/benefit level, 5½ day Council meetings, base level State/PSMFC contracts plus Special Project increases, etc.
- Council should identify priority activities to guide staff in budget modification and implementation.
  - Identify FMP level activities balancing costs and available agenda time
  - Identify additional Special Project funding for staff to pursue
  - Guidance on other funding/spending priorities



# Budget Priorities

## “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



Source: June, 2015 Budget Workshop

# Funding for Routine Activities and Ongoing Priorities

- Council Commissions Line Item
  - 2015 - \$32,700,000 Enacted
  - 2016 - \$33,470,000 Enacted
  - 2017 - \$34,245,000 Enacted
  - 2018 - \$33,407,000 - \$34,245,000 Proposed
  - 2019 - ?
- PFMC Base and Management & Services (Ongoing Soft)
  - 2015 - \$4,096,000
  - 2016 - \$4,200,000
  - 2017 - \$4,280,000
  - 2018 - Effectively slightly less than in 2017 (most likely)



# Special Projects Funded for 2018

- SCS-6 Meeting
  - \$125,000 January-December 2018
- ACL Implementation Flexibility Including Carryover
  - \$149,000 July 2017 through December 2018
- Intersector Quota Pounds Trading -
  - \$125,000 November 2017 through December 2018
  - **Flexibility for other Catch Share Review Follow-on Actions?**
- Fishery Ecosystem Plan Implementation
  - \$90,000 April 2017 through December 2017
  - **Additional \$186,000 requested for January 2018 through March 2019**
- Swordfish Management Planning
  - \$59,000 August 2017 through December 2018
- GF EFH Amendment Completion
  - \$150,000 April 2017 to **Completion in 2018**





# CY 2018 Staff Proposed Provisional Budget

	<u>2017 Operational</u>	<u>2018 Staff</u>
• Staff Wages and Benefits	\$2,189,503	\$2,264,590
• Travel	\$ 975,184	\$ 973,635
• Supplies and Services	\$ 598,255	\$ 603,935
• Contractual		
• Council Member Compensation	\$ 236,711	\$ 240,039
• Advisory Body Stipends	\$ 69,499	\$ 69,499
• Liaison and Plan	\$ 673,601	\$ 676,117
• <i>Total</i>	<i>\$4,742,753</i>	<i>\$4,827,815</i>
• Detail of State/PSMFC Liaison Contracts		
• Alaska	\$ 22,527	\$ 22,527
• California	\$ 133,212	\$ 134,152
• Idaho	\$ 37,527	\$ 40,587
• Oregon	\$ 141,524	\$ 139,240
• Washington	\$ 131,524	\$ 131,524
• PSMFC	\$ 41,537	\$ 43,337
• <i>Total</i>	<i>\$ 507,851</i>	<i>\$ 511,367</i>
• Plan Contracts (CSR, Spex, etc)	\$ 165,750	\$ 164,750

← For Comparison;  
Does Not Include  
SCS-6



# CY 2018 STAFF PROPOSED PROVISIONAL BUDGET

Category	Total Operational 2017	Proposed Provisional 2018	% Difference	SCS Budget 2018	Combined Budget 2018	% of Combined Budget
Staff Wages & Benefits	\$ 2,189,503	\$ 2,264,590	3.3%		\$ 2,264,590	0.0%
Travel	\$ 975,184	\$ 973,635	-0.2%	\$ 47,910	\$ 1,021,545	4.9%
Supplies & Services	\$ 598,255	\$ 603,935	0.9%	\$ 77,090	\$ 681,025	12.8%
Contractual					\$ -	
Council Member Compensation	\$ 236,711	\$ 240,039	1.4%		\$ 240,039	0.0%
Advisory Body Stipends (2018)	\$ 69,499	\$ 69,499	0.0%	\$ -	\$ 69,499	0.0%
Liaison & Plan (State, PSMFC, Other)	\$ 673,601	\$ 676,117	0.4%	\$ -	\$ 676,117	0.0%
<b>Total</b>	<b>\$ 4,742,753</b>	<b>\$ 4,827,815</b>	<b>1.8%</b>	<b>\$ 125,000</b>	<b>\$ 4,952,815</b>	<b>2.6%</b>

## Detail of State and PSMFC Liaison and Planning, and Other Contractual for 2018

Contract	2017 Budget	2018 Budget	% Difference
Alaska - Liaison & Planning	\$ 22,527	\$ 22,527	0.0%
California - Liaison & Planning	\$ 133,212	\$ 134,152	0.7%
Idaho - Liaison & Planning	\$ 37,527	\$ 40,587	7.5%
Oregon - Liaison & Planning	\$ 141,524	\$ 139,240	-1.6%
Washington-Liaison & Planning	\$ 131,524	\$ 131,524	0.0%
PSMFC-Liaison & Planning	\$ 41,537	\$ 43,337	4.2%
Subtotal	\$ 507,851	\$ 511,367	0.7%
Other Contractual (e.g., GF Spx, CPS, IQ)	\$ 165,750	\$ 164,750	-0.6%
<b>Grand Total</b>	<b>\$ 673,601</b>	<b>\$ 676,117</b>	<b>0.4%</b>

Includes SCS-6



# STATE CONTRACT HISTORY

Year	California			Oregon			Washington			Idaho			PSMFC			Alaska
	Base	Special	% Special	Base	Special	% Special	Base	Special	% Special	Base	Special	% Special	Base	Special	% Special	Base
2009	138,212	-	0%	119,140	-	0%	119,140	-	0%	22,527	-	0%	31,537	-	0%	22,527
2010	138,212	123,067	47%	119,140	123,067	51%	119,140	123,067	51%	22,527	45,067	67%	31,537	23,463	43%	22,527
2011	138,212	123,067	47%	119,140	123,067	51%	119,140	123,067	51%	22,527	45,067	67%	31,537	23,463	43%	22,527
2012	153,212	-	0%	134,140	-	0%	134,140	-	0%	37,527	-	0%	41,537	-	0%	22,527
2013	153,212	-	0%	134,140	-	0%	134,140	-	0%	37,527	-	0%	41,537	-	0%	22,527
2014	153,212	-	0%	134,140	-	0%	134,140	-	0%	37,527	-	0%	41,537	-	0%	22,527
2015	153,212	-	0%	134,140	-	0%	134,140	-	0%	37,527	-	0%	41,537	-	0%	22,527
2016	153,212	12,479	8%	134,140	12,479	9%	134,140	12,479	9%	37,527	5,287	12%	41,537	-	0%	22,527
2017	153,212	-	0%	134,140	7,384	5%	134,140	7,384	5%	37,527	-	0%	41,537	-	0%	22,527
2018	153,212	5,940	4%	134,140	5,100	4%	134,140	5,580	4%	37,527	3,060	8%	41,537	1,800	4%	22,527

	FEP	Carryover	GFIFQ	Total
CA	3,600.00	1,260.00	1,080.00	5,940.00
ID	1,080.00	900.00	1,080.00	3,060.00
OR	3,240.00	1,260.00	600.00	5,100.00
WA	3,240.00	1,260.00	1,080.00	5,580.00
PSMFC	720.00	540.00	540.00	1,800.00
	<b>11,880.00</b>	<b>5,220.00</b>	<b>4,380.00</b>	<b>21,480.00</b>



# 2018 Budget Planning

- COP 9: November - Budget Committee modifies/approves the proposed preliminary budget and forwards recommendations to the Council for approval and provisional use beginning January 1 of the next year.
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  - Assumes current staffing/benefit level, 5½ day Council meetings, base level State/PSMFC contracts plus Special Project increases, etc.
- Council should identify priority activities to guide staff in budget modification and implementation.
  - Identify FMP level activities balancing costs and available agenda time
  - Identify additional Special Project funding for staff to pursue
  - Guidance on other funding/spending priorities



# Pacific Council Workload Planning: Preliminary Year-at-a-Glance Summary

Lightly shaded items are currently funded Special Projects

Dark shaded items are unfunded Special Projects or Ongoing Priorities with substantial workload requirements

		<u>March 7-14, 2018</u> (Rohnert Park)	<u>April 5-11, 2018</u> (Portland)	<u>June 6-14, 2018</u> (Spokane)	<u>September 5-12, 2018</u> (Seattle)	<u>November 1-8, 2018</u> (San Diego)
<b>CPS</b>	EFP Final Approval for 2018	NMFS Report ATS Methodology Rev. Final Approval Sardine Assessment & Management Measures Final Process for Review of Reference Points for Monitored Stocks		Method Rev.- Final Approval		NMFS Rpt EFP Notice of Intent for 2019 Method Rev.-- Identify Topics
	NMFS Report Inseason Mgmt Initial Stk Assmnt Plan & TORs  Fisheries in 2019-2020 and 2018 Gear & MWT EFP(s) Check-In  Whiting Treaty Implement. & Set-aside 5-Yr.Catch Share Follow On Final ROA	NMFS Report Inseason Mgmt  Cost Recovery Report Fisheries in 2019-2020 Biennial Spex Adopt FPA Mgmt Measures PPA EFH-RCA Amendment FPA  Flexibility in ACL Management Response ROA/PPA	NMFS Report Inseason Mgmt Final Stk Assmnt Plan & TORs  Fisheries in 2019-2020 Mgmt Measures FPA Final EFP Approval  Flexibility in ACL Management Response FPA	NMFS Report Inseason Mgmt Methodology Rev.Planning (COP25) Preliminary Topic Selection Sci Improv & Meth Rev -Report  Omnibus Workload Considerations  5-Yr. Catch Share Follow On PPA	NMFS Report Inseason Mgmt Methodology Rev.Planning (COP25) Preliminary Topic Selection Final Topic Selection	NMFS Report Inseason Mgmt Methodology Rev.Planning (COP25) Final Topic Selection  5-Yr. Catch Share Follow On FPA
<b>Groundfish</b>	NMFS Report International Issues EFP Initial Review/Final Approval		NMFS Report International Issues EFP Initial Review/Final Approval	NMFS Report International Issues EFP Initial Review/Final Approval	NMFS Report International Issues EFP Initial Review/Final Approval	NMFS Report International Issues EFP Initial Review/Final Approval
	DSBG Authorization-Revise ROA/PPA		Swordfish Mgmt Proj. Planning Inc. Observer Coverage DSBG Authorization-Permit: FPA DGN Performance Metrics HMS Permit Citizenship Scoping	Amendment Authorizing SS-Longline Fishery: Scoping	Scope Biennial Mgmt Measure Changes, SDC, & Ref. Pts.	Biennial Mgmt Measure Changes SDC, & Ref. Pts. Preliminary Action
	NMFS Rpt Approve Salmon Review (SAFE), Forecasts, SDC, & ACLs 2018 Season Setting (5)	2018 Method Rev.--Identify Topics  2018 Season Setting (4)			Method Rev. Adopt Priorities	NMFS Rpt Method Rev. Final Approval 2019 Preseason Mgmt Schd
<b>Salmon</b>	FEP 5-Year Review Scoping FEP Climate Shift Initiatives Update Sablefish Indicators MSE CA Current Ecosystem Rpt Incl. IEA Rpt			EBFM Implementation Plan Comments	FEP Climate Shift Initiatives Update	
	Routine Admin (9) Habitat Issues CCC Meeting Update NMS Coordination Report MP Update P. Halibut: Prelim Incidental Regs P. Halibut: IPHC Meeting	Routine Admin (9) Habitat Issues  Annual USCG Fishery Enf. Rpt  P. Halibut: Final Troll Incidental Regs	Routine Admin (11) Habitat Issues CCC Meeting Update  P. Halibut CSP Change Scoping Research and Data Needs, Prelim.	Routine Admin (11) Habitat Issues  P. Halibut: CSP Change-Preliminary Research and Data Needs, Final.	Routine Admin (11) Habitat Issues  Tri-State Enforcement Report  P. Halibut: CSP Change Final	
<b>Other</b>	Approximate Floor Time	5.8 days	5.4 days	5.7 days	4.9 days	3.5 days

# Potential Council Activities 2018

- Highly Migratory Species
  - Long Line Authorization – EFP submitted, FMP amendment to implement
    - Special project request of \$231,000 for '17-'19 not approved
  - DSBG – Ongoing Council priority, scheduled for completion in June 2018
  - LE permitting issues – Federalization in progress, additional workload to further limit entry
  - Strategic Planning - \$59,000 received in 2017, first meeting was Sept '17, direction needed for further use of funds
  - Electronic Monitoring – possible outcome of strategic planning
    - Special project request of \$140,000 for '17-'19 not approved
  - Citizenship issues – Scoping scheduled for June 2018
  - Albacore MSE Travel – Depending on location, up to \$2,000 per participant; Sent 1 in '16 (2 approved), sent 2 in '17 (3 approved)



# Potential Council Activities 2018

- Coastal Pelagic Species
  - Monitored stocks (i.e., anchovy) assessment and management category – pending outcome of ATS review in January '18. Active management would require periodic assessment and regulatory process
  - Crabbe requested attendance at ATS meeting in January ~ \$4,200 (Travel, per diem, comp.)
- Fishery Ecosystem Plan
  - EBFM Implementation Plan – HQ priority request, no additional resources expected
  - 5-year review – Called for in FEP
  - Sablefish MSE coastwide assessment – Ongoing from 2015
  - **Climate Initiative – Anticipating additional \$186,000 in TEMP funding**
    - **Nature conservancy workshop ~ \$23,000 for all EAS, EWG, and SSC-SC to attend.**



# Potential Council Activities 2018

- Groundfish
  - Catch Share Review Follow-on Actions ~ \$15,000 per CAB meeting
  - Omnibus Projects
  - Intersector QP Trading - \$125,000 received for '17-'18
    - Flexibility to use funds for higher priority items?
  - ACL Flexibility – Carry over and/or Multi-year ACL - \$149,000 received for '17-'18
  - EFH Amendment - \$150,000 received for completion in '17-18
  - Tribal EFH – Would have to be separate process, either next 5-year review or trailing action
  - Science Workshops and Methodology Reviews – Two workshops in '16, one review in '17;
    - Science Center may sponsor some, or be a source of funds for Council to sponsor?





# Potential Council Activities 2018

- Pacific Halibut
  - Directed Fishery changes, Level 2 or 3 – Considered at Nov '17 Council meeting, would require minimum of 3-meeting process starting in June '18
  - California allocation – Would require 3-meeting process starting in '18
- Salmon
  - Klamath River Fall Chinook Overfished/Rebuilding Report
  - Southern Resident Killer Whale Consultation
- Other
  - 5-year Research and Data Needs document update – MSA requirement, SSC and staff, at Council meetings primarily.
  - Regulatory Reform process
  - CCC habitat working group participation
    - Special project request of \$45,000 for '17-'19 not approved



# Council Staff Recommendations

- Recommend Adoption of a 2018 Provisional Budget of \$4,952,814
  - Including \$125,000 for SCS-6 Meeting
- Provide Guidance on Priorities for '18 Budget Implementation
  - How to use \$59,000 for Swordfish Management
  - DSBG EFPs at every Council meeting
  - HMS Longline Authorization
  - HMS Permit Citizenship Issue
  - How to use \$125,000 for Quota Pound Trading if not a catch share review follow-on action priority
  - Omnibus projects
  - GF Science Workshops and Methodology Reviews
  - CPS monitored stocks
  - FEP 5-Year Review
  - Sablefish assessment indicators MSE
  - Pacific halibut directed fishery, allocation
  - Regulatory Reform Review
  - Klamath River fall Chinook rebuilding plan
  - Additional 2018-2019 special project priorities



# BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

