

EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE April 2019



BUDGET COMMITTEE TASKS

At this meeting the Budget Committee needs to:

- Review status of funding for 2019
- Recommend priorities for 2020-2024

Grant application

- Council agenda items
- Liaison contracts
- Meeting expenses



CY 2019 Funding and Budget Summary

Source of Funds or Designated Use	Dollars	Comments
New CY 2019 Funds		
Base and Ongoing Soft Funds:		
Received (12/6/18)	955,572	PPA Base Funds
Received (2/14/19)	200,000	PPA Base Funds
Total	<u>\$1,155,572</u>	
Additional 2019 Funds Expected	\$3,416,570	Approximately
Subtotal New Funds	<u>\$4,572,142</u>	
Remaining Funds from 2018	<u>\$3,199,113</u>	
(Including Special Projects/Funds not utilized in prior year.)		
Total Funds (On hand)	\$7,771,255	

CY 2019 PROVISIONAL BUDGET

Item	Dollars	Comments
CY 2019 Provisional Budget	<u>\$4,976,401</u>	Adopted November 2018
Projected Delayed Spending Account at Year End 2019	\$2,794,854	Includes funding for projects continuing in 2019 Preliminary, based on Nov. Provisional Budget



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 - \$35,871,000 Enacted, but all increase to Commissions
- 2019 - \$40,175,000 Enacted, 12% increase to be applied equally across Councils and Commissions (~\$2.15M each)

- PFMC Base PPA and Management Programs & Services (MPS)

- 2015 - \$4,096,000
- 2016 - \$4,200,000
- 2017 - \$4,280,000
- 2018 - \$4,416,000
- 2019 ~ \$4,572,000 ~ \$156,000, 3.54% increase over 2018

- 14.675% of \$2.15 M increase, minus \$146,750 after deregulation MPS removed



CY 2018 Budget and Expenditures Summary

Category	Total Budget 2018	Expenditures (Including SCS) thru 3/31/19	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)	% of Total Budget
Staff Wages & Benefits	\$ 2,245,243	\$ 2,234,236		\$ 11,006	100%
Travel	\$ 1,028,145	\$ 939,356		\$ 88,789	91%
Supplies & Services	\$ 683,456	\$ 544,384		\$ 139,072	80%
Contractual				\$ -	
Council Member Compensation	\$ 244,694	\$ 221,588		\$ 23,107	91%
Advisory Body Stipends	\$ 69,499	\$ 69,660		\$ (161)	100%
Liaison & Pln (State, PSMFC, Other)	\$ 676,117	\$ 591,533		\$ 84,584	87%
Total 2018	4,947,154	\$ 4,600,757	-	346,397	93%

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

Contract	2018 Budget	Billed thru 3/31/19	Balance Remaining	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)
Alaska - Liaison & Planning	\$ 22,527	\$ -	\$ 22,527		\$ 22,527
California - Liaison & Planning	\$ 134,152	\$ 134,106	\$ 46		\$ 46
Idaho - Liaison & Planning	\$ 40,587	\$ 40,587	\$ -		\$ -
Oregon - Liaison & Planning	\$ 139,240	\$ 139,234	\$ 6		\$ 6
Washington-Liaison & Planning	\$ 131,524	\$ 137,619	\$ (6,095)		\$ (6,095)
PSMFC-Liaison & Planning	\$ 43,337	\$ 43,337	\$ -		\$ -
Subtotal	\$ 511,367	\$ 494,883	\$ 16,484	\$ -	\$ 16,484
Other Contractual (e.g., GF Spx, Sal, IQ)	\$ 164,750	\$ 96,650	\$ 68,100		\$ 68,100
Grand Total	\$ 676,117	\$ 591,533	\$ 84,584	\$ -	\$ 84,584



2019 Budget Planning

- April - Identify Priorities
 - COP 9: Council staff prepares for the Council's Budget Committee consideration a draft comprehensive five-year grant application that documents proposed Council priorities to be pursued in the first year of the grant together with detailed, first-year fiscal implications, and which proposes broader Council priorities to be pursued in the succeeding four years.
- June - Approve 2020-2024 Grant Application
 - COP 9: Budget Committee considers, approves and forwards the five-year grant application for Council consideration. Council adopts its five-year grant application and submits to NMFS for approval.
- September or November - No-Cost Extension Application
 - Council staff prepares and submits any necessary application for extension of the five-year grant with information related to financial balances and performance obligations remaining within the [2015-2019] grant, immediately informing the Chair of the Budget Committee of the application, and briefing the Budget Committee of the circumstances at its next meeting.



Grant Cycle Updates

- 2020-2024 Application Process
 - Council Approval of draft application in June 2019
 - Draft Applications due September 19, 2019
 - Final Applications due November 1, 2019

- 2015-2019 Grant
 - 1-Year no-cost extension for 15-19 grant submission November 2019
 - Proposal part of 2020-2024 grant planning



2020-2024 Draft Budgets for Grant Proposal Development

Category	2019 Provisional	2020	2021	2022	2023	2024	Total Grant
Staff Wages & Benefits	\$ 2,342,012	\$ 2,140,860	\$ 2,274,793	\$ 2,396,337	\$ 2,495,471	\$ 2,606,573	\$ 11,914,034
Travel	\$ 1,089,420	\$ 817,770	\$ 842,303	\$ 866,836	\$ 953,520	\$ 1,001,196	\$ 4,481,625
Supplies & Services	\$ 569,073	\$ 624,696	\$ 651,202	\$ 682,659	\$ 710,676	\$ 751,228	\$ 3,420,461
Contractual							
Council Member Compensation	\$ 247,532	\$ 234,216	\$ 249,008	\$ 256,478	\$ 264,173	\$ 272,098	\$ 1,275,973
Advisory Body Stipends	\$ 69,499	\$ 69,499	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 349,499
Liaison & PIn (State, PSMFC)	\$ 526,364	\$ 567,524	\$ 595,901	\$ 625,696	\$ 656,980	\$ 689,829	\$ 3,135,930
Outside Consultants and Projects	\$ 132,500	\$ 117,500	\$ 117,500	\$ 142,500	\$ 142,500	\$ 167,500	\$ 687,500
Total by Year	\$ 4,976,401	\$ 4,572,064	\$ 4,800,707	\$ 5,040,507	\$ 5,293,320	\$ 5,558,424	\$ 25,265,022

Same as
2019
Expected
PPA+MPS



2020-2024 Draft Project Narrative

- 2020 Grant Application: Baseline Operations
 - Grant budget: Status quo on Staffing, Committees, Council meeting days, Routine management activities, Liaison contracts.
- Additional 2020 Tasks and Expenses Potentially Identified
 - 5-Year EFH reviews for salmon, CPS and HMS
 - EM for DGN fishery
 - Outside contractors to assist with baseline operations as necessary
- Not including continuing activities funded by no-cost extension
 - CPS management categories, Swordfish SSL Amendment, Sablefish gear switching and area management, SRKW consultation, Pacific halibut directed fishery management, FEP Initiative, etc.



2020-2024 Draft Project Narrative

- 2021 Grant Application: Baseline Operations
 - Grant budget: Status quo + 5% on Staffing, Committees, Council meeting days, Routine management activities, Liaison contracts.
- Additional 2021 Tasks and Expenses Potentially Identified
 - Hosting the annual CCC meeting in May
 - Meeting space
 - Staff support and travel
 - Supplies and equipment
 - Participants pay their own travel and per diem



2020-2024 Draft Project Narrative

- 2022 Grant Application: Baseline Operations
 - Grant budget: Status quo + 5% on Staffing, Committees, Council meeting days, Routine management activities, Liaison contracts.
- 2023-2024 Grant Application: Baseline Operations
 - Grant budget: Status quo + 4% on Staffing, Committees, Council meeting days, Routine management activities, Liaison contracts
 - <5% To make up for 2021 CCC budget increase so total for grant period reflects a 5% average increase for 2021-2024



LIAISON 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%	-
2019	166,300	5,326	3%	146,431	5,326	4%	146,431	5,326	4%	38,324	3,743	9%	42,334	1,823	4%	-



Liaison Contracts - 2020 Proposals

- Base Funding Option 1 (used in 2018): Change base contracts proportional to regulatory participation
 - +\$156,000 (3.5%) for PPA/MPS in 2019 * \$635,926 base liaison = \$22,257
 - CDFW: 1 Council member, 2 GMT, 1 STT, 2 CPSMT, 1 HMSMT = 7 participants
 - ODFW = 6; WDFW = 6; IDFG = 1; PSMFC = 1 for a total of 21
 - $\$22,257 \div 21 = \$1,060$ per participant: CDFW = 7 * \$1,060 = \$7,419
- Base Funding Option 2: Change base contracts proportional to Council's PPA and MPS funding
 - 3.5% for PPA/MPS in 2019 * \$635,926 base liaison funds = \$22,257
 - 3.5% increase in 2020 for each liaison base contract (4 states and PSMFC)
 - Reflected in 2020 Contracts

• Nice as long as we are in a steady or upward trend for PPA/MPS



2019-2020 Cash Flow Needs

- 2019 is the final year of 2015-2019 grant
- Will apply for 1-year no-cost extension into 2020
- Must spend remaining 2015-2019 funds in 2020 on continuing projects
 - Special Projects Funds: Catch Share Review Follow-on, FEP Initiatives
 - PPA/MPS funds: Amendments etc. started in 15-19
 - Not for routine functions: Salmon Management, SAFE documents
- Will look for ways to spend down delayed spending account in 2019
 - Staff retreat in December rather than January
 - Equipment purchases
 - Website update
- Timing of new funds less of an issue than in past with 1st award in Dec-Jan recently instead of April-Aug
 - Hopefully trend continues through 1st year of new grant



No-Cost Extension Projects

Project	2019 Meeting				2020 Meetings				
	April	June	September	November	March	April	June	September	November
Administrative									
BSIA Regional Plan									
MSA Reauthorization, Responding to Congress and Legislative Standardized Bycatch Reporting Methods Review				YAG					
Electronic Monitoring Transition Plan - 3rd Party Review									
Electronic Monitoring Directives for Future Consideration									
Research and Data Needs Format Revision to Data Base			YAG						
Vessel Movement Monitoring	Agenda				Staff				
Pacific Halibut									
P.Halibut CSP Change			YAG	YAG					
P.Halibut Directed Fishery	Agenda								
Groundfish									
New Management Measures		YAG	YAG	YAG		YAG	YAG	YAG	YAG
Gear Switching & Sablefish Area Management (SAMTACC)		YAG	YAG	YAG	YAG				
Sablefish MSE									
Litigation Response									
Coastal Pelagic Species									
CPS Methodology Review				YAG		Staff	YAG		
Litigation Response	Agenda								
Sardine Rebuilding Plan									
Stock Assessment Cycle Review		YAG							
Stock Management Categories & EFPs	Agenda	YAG							
Highly Migratory									
Amendment Authorizing SS Long Line Fishery		YAG	YAG		YAG				
Albacore, Swordfish and Sardine MSE									
DSBG Authorization		YAG	YAG	YAG					
DGN Hard Caps				YAG					
North Pacific Albacore and Bluefin Tuna International MSE		YAG	YAG	YAG	YAG		YAG	YAG	YAG
Ecosystem									
Climate and Communities Initiative Review Project			YAG		YAG				
FEP 5 Year Rev Adopt Vision			YAG		YAG				
Salmon									
Habitat Rebuilding Plans									
SONCC Coho Consultation									
Klamath Spring Chinook Consultation									
Southern Resident Killer Whale Consultation	Agenda								



currently on Draft YAG
Staff Identified possible dates - not scheduled

Council Staff Recommendations

- Provide guidance for priority activities in 2020 and beyond
 - Changes to Staffing, Committees, Council meeting days
 - Recommend additional projects and expenses for 2020-2024 grant narrative
- Recommend changes to liaison contract budget strategies
- Consider topics and schedule for no-cost extension projects in 2020
 - To be addressed in agenda and workload planning



BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

