

EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE November 2019



BUDGET COMMITTEE TASKS

At this meeting the Budget Committee needs to:

- Review 2019 budget status update
- Review the no-cost one year (2020) extension budget for the 2015-2019 Grant*
- Review 2018 audit results
- Identify future budget priorities

* COP 9: 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 grant, immediately informing the Chair of the Budget Committee of the application, and briefing the Budget Committee of the circumstances at its next meeting.



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
Received (4/22/19)	1,000,000	PPA Base Funds
Received (5/23/19)	2,429,619	PPA/MPS Funds
2019 Funds Received as of 5/23	<u>4,585,191</u>	
Special Project		
ISC19 - Received (5/23/19)	4,471	
Subtotal New Funds	<u>\$4,589,662</u>	
Remaining Funds from 2018	<u>\$3,199,113</u>	
(Including Special Projects/Funds not utilized in prior year.)		
Total Funds (On hand)	\$7,788,775	

No Change Since June



CY 2019 Funding and Budget Summary

CURRENT FUNDING FOR CY 2015-2019 COOPERATIVE AGREEMENT

Source of Funds or Designated Use	Dollars	Comments
Total Funds (On hand)	\$7,788,775	

CY 2019 OPERATIONAL BUDGET

Item	Dollars	Comments
CY 2019 Operational Budget	<u>\$5,203,674</u>	Adopted June 2019
Projected Delayed Spending Account at Year End 2019	\$2,357,829	estimated as of June 2019 BC Meeting
Expectation of remaining funds from 2019 operational budget	\$201,557	Revised based on current expectations of spending to end of year
Revised Projected Delayed Spending Account at Year End 2019	\$2,559,386	



Expenditures for CY 2019 through September

Category	Total Budget 2019	Expenditures thru 9/30/19	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)	% of Total Budget
Staff Wages & Benefits	\$ 2,315,217	\$ 1,643,855	\$ 679,570	\$ (8,208)	100%
Travel	\$ 1,208,285	\$ 691,478	\$ 358,291	\$ 158,516	87%
Supplies & Services	\$ 647,833	\$ 381,565	\$ 210,851	\$ 55,417	91%
Contractual				\$ -	
Council Member Compensation	\$ 252,975	\$ 164,223	\$ 82,111	\$ 6,641	97%
Advisory Body Stipends	\$ 69,499		\$ 69,499	\$ -	100%
Liaison & Pln (State, PSMFC, Other)	\$ 709,864	\$ 157,128	\$ 563,545	\$ (10,810)	102%
Total 2019	5,203,673	\$ 3,038,249	1,963,868	201,557	96%

Detail of State and PSMFC Liaison and Planning, and Other Contractual for 2019

Contract	2019 Budget	Billed thru 9/30/19	Balance Remaining	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)
Alaska - Liaison & Planning	\$ -		\$ -	\$ -	\$ -
California - Liaison & Planning	\$ 142,626	\$ -	\$ 142,626	\$ 142,626	\$ -
Idaho - Liaison & Planning	\$ 42,067	\$ 42,067	\$ -	\$ -	\$ -
Oregon - Liaison & Planning	\$ 151,757		\$ 151,757	\$ 151,757	\$ -
Washington-Liaison & Planning	\$ 141,757		\$ 141,757	\$ 141,757	\$ -
PSMFC-Liaison & Planning	\$ 44,157	\$ 30,892	\$ 13,265	\$ 13,265	\$ -
Subtotal	\$ 522,364	\$ 72,959	\$ 449,405	\$ 449,405	\$ -
Other Contractual (e.g., GF Spx, Sal, IQ)	\$ 187,500	\$ 84,170	\$ 103,330	\$ 114,140	\$ (10,810)
Grand Total	\$ 709,864	\$ 157,128	\$ 552,736	\$ 563,545	\$ (10,810)



Appropriations

- Council Commissions Line Item
 - 2017 - \$34,245,000 Enacted
 - 2018 - \$35,871,000 Enacted, but all increase to Commissions
 - 2019 - \$40,175,000 Enacted, \$2.15M increase but \$1M decrease from loss of Deregulation MPS line
 - 2020 - \$37,653,000 President's; RFMC is \$29,047,000, up from \$27,849,000 in 2019 enacted.
 - 2020 - \$41,500,000 House Mark, inc. \$250,000 for PFMC FEP
 - 2020 - \$40,247,000 Senate Mark
- PFMC Base PPA and Management Programs & Services (MPS)
 - 2017 - \$4,280,000
 - 2018 - \$4,416,000
 - 2019 - \$4,585,000 \$169,000, 3.83% net increase over 2018



2020 Budgets

Category	Approved Provisional 2020	Proposed No-Cost Extension 2020	Combined 2020 Proposed Budgets
Staff Wages & Benefits	\$ 1,915,327	\$ 1,290,747	\$ 3,206,073
Travel	\$ 728,926	\$ 583,609	\$ 1,312,534
Supplies & Services	\$ 530,172	\$ 185,029	\$ 715,201
Contractual			
Council Member Compensation	\$ 151,115	\$ 99,457	\$ 250,572
Advisory Body Stipends (2020)	\$ 50,847	\$ 23,654	\$ 74,501
Liaison & Plan (State, PSMFC, Other)**	\$ 1,208,804	\$ 376,891	\$ 1,585,695
Total	\$ 4,585,191	\$ 2,559,386	\$ 7,144,577

Detail of State and PSMFC Liaison and Planning, and Other Contractual**

Contract	2020 Budget	2020 NCE Budget	Combined 2020 Budgets
Alaska - Liaison & Planning	\$ 22,527		22527
California - Liaison & Planning	\$ 163,490	\$ 75,602	\$ 239,092
Idaho - Liaison & Planning	\$ 48,221	\$ 22,299	\$ 70,519
Oregon - Liaison & Planning	\$ 173,957	\$ 80,442	\$ 254,399
Washington-Liaison & Planning	\$ 162,494	\$ 75,142	\$ 237,635
PSMFC-Liaison & Planning	\$ 50,616	\$ 23,406	\$ 74,023
Subtotal	\$ 621,304	\$ 276,891	\$ 898,195
Other Contractual (e.g., GF Spx, CPS, IQ)	\$ 587,500	\$ 100,000	\$ 687,500
Grand Total	\$ 1,208,804	\$ 376,891	\$ 1,585,695



2020 Budgets

2020-2024 1st year budget

- Grant Application - \$4,585,000
 - Provisional CY 2020 Budget
 - Based on July est. of Delayed Spending Account
 - Includes 2019 liaison base contract increase ($\geq 3.83\%$ from net PPA/MPS increase)
- Expect ~ 50% award by Nov. 21 under continuing resolution
- Expect grant approval mid-December



2020 Budgets

2020 No-Cost Extension of 2015-2019 Grant

- Targets 2019 Delayed Spending Account balance ~ \$2.6M
 - Includes continuing projects from 2015-2019 grant that are not routine.
 - Climate Initiative, SRKW, SaMTAAC, SSSL, CPS management categories, etc.
 - Includes proportional staff time, Council meeting expenses/travel, rent
 - Includes expected outside meetings/travel, consultants
- July est. assumed ~ 27% 2020 staff time to NCE
 - CCI workshop and SaMTAAC meeting in 2019
- Sept est. assumed ~ 35% 2020 staff time to NCE
 - Updated task list, contracts, supplies, etc.
- Application filed October 31, 2019



2020 Budgets

Combined NCE & 2020 1st year budget is \$2.6M + \$4.6M

- Increases in Liaison Contracts ~\$295K for 2020 only
 - Original intent was ~150% of 2019 level
 - Increased as a result of increased staff time in NCE
- Beyond proportional staff time and related categories, remaining Delayed Spending Account balance will be spent on staff leave account via NCE
 - Increase in staff leave account for 2020 only
 - Actual amount will be determined December 2020
 - Will fully fund leave account, expect to eliminate contributions from future 2020-2024 budgets



CY 2018 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



Council Staff Recommendations

- No change to 2020 Provisional Budget of \$4,585,000 for now
- Approve 2020 No-Cost Extension application budget for 2015-2019 Grant of \$2.6M
- Approve results of 2018 Audit
- Identify future budget priorities
- Plan future BC meeting(s)
 - June to adopt 2020 Operational Budget

Should know 2020 funding, 2019 final expenses, Delayed Spending Account balance



BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

