

EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE June 2020



BUDGET COMMITTEE TASKS

At this meeting the Budget Committee should:

- Recommend a 2020 Operational Budget to the Council for use during the remainder of the 2020 Calendar Year*
- Consider request to contribute \$10K to MREP for 2020 Science Workshop
- Consider CCC proposal to contribute \$17K each for CMOD** training sessions in 2021 and 2023
- Discuss BC membership and future meetings

*COP 9: At the first opportunity following Congressional appropriations, confirmation of fiscal assumptions, updates, and resolution of uncertainties contained in the preliminary annual budget, Council staff prepares updated final annual budget for Budget Committee review, approval, and forwarding to the Council for approval at the earliest opportunity, including potentially at the same meeting.

** CMOD (Council Member Ongoing Training) is a proposal the CCC has been pursuing to replace the Fisheries Sustainability Forum workshops.



CY 2019 Budget and 2020 Funding Summary

CY 2015-2019 COOPERATIVE AGREEMENT

Source of Funds or Designated Use	Dollars	Comments
2019 Total Funds (On hand)	<u>\$7,788,775</u>	2018 Delayed Spending and 2019 Received
CY 2019 Operational Budget	<u>\$5,203,674</u>	Adopted June 2019
Expectation of remaining funds from 2019 operational budget	\$254,222	5% under budget
Delayed Spending Account Balance at Year End 2019	2,839,323	Funds to be used on continuing No-Cost Extension Projects

CURRENT FUNDING FOR CY 2020-2024 COOPERATIVE AGREEMENT

Source of Funds or Designated Use	Dollars	Comments
New CY 2020 Funds		
Base and Ongoing Soft Funds:		
Received (11/22/19)	1,952,657	PPA and MPS Base Funds
Received (3/23/20)	2,647,920	PPA and MPS Base Funds
Subtotal New Funds	<u>\$4,600,577</u>	
Total Funds (as of May 1, 2020)	\$7,439,900	2020 funds received plus remaining 2019 Delayed Spending Account Funds



CY 2020 Provisional and Staff Proposed Operational Budgets

Category	Approved Provisional 2020	Approved No-Cost Extension 2020	Combined 2020 Provisional 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 (State, PSMFC)	\$ 621,304	\$ 276,891	\$ 898,195
Other (Salmon SAFE, SaMTAAC etc.)	\$ 587,500	\$ 100,000	\$ 687,500
Total	\$ 4,585,191	\$ 2,559,386	\$ 7,144,577

Category	Proposed Operational 2020-2024 Grant	Proposed Operational No-Cost Extension 2015-2019 Grant	Combined 2020 Operational Budget
Staff Wages & Benefits	\$ 1,608,068	\$ 1,595,571	\$ 3,203,639
Travel	\$ 432,741	\$ 345,855	\$ 778,596
Supplies & Services	\$ 359,695	\$ 192,926	\$ 552,621
Contractual			
Council Member Compensation	\$ 180,488	\$ 83,443	\$ 263,932
Advisory Body Stipends (2020)	\$ 44,062	\$ 25,437	\$ 69,499
Liaison (State, PSMFC)	\$ 621,304	\$ 276,891	\$ 898,195
Other (Salmon SAFE, SaMTAAC etc.)	\$ 87,875	\$ 319,200	\$ 407,075
Total	\$ 3,334,234	\$ 2,839,323	\$ 6,173,557



Differences in 2020 Provisional and Operational

- Salaries and Benefits - Lower Costs
 - Provisional (grant application) assumed additional staff member
- Travel Expectations - Lower Costs
 - Webinar based Council and Advisory Body meetings
- Services and Supplies - Lower Costs
 - Council and Committee Meeting Space
 - Delayed Office Expansion affecting rent
- Contracts -Lower Costs
 - Council Member Compensation up some - More meetings, COLA
 - Outside Consultants and Contracts - Placeholders in provisional
 - Operational includes \$10K for MREP Science Workshop in August
- In general, NCE/2020 proportion increase affects numerous categories



EXPENDITURES FOR CY 2020 THROUGH APRIL STAFF PROPOSED TOTAL COMBINED 2020 AND NCE

Category	Proposed Total Combined 2020 Budget	Combined 2020 Expenditures 4/30/2020	% of Total Budget	Expenditures Remaining
Staff Wages & Benefits	\$ 3,203,639	\$ 768,174	24%	\$ 2,435,466
Travel	\$ 778,596	\$ 148,225	19%	\$ 630,371
Supplies & Services *	\$ 552,621	\$ 109,340	20%	\$ 443,281
Contractual		\$ -		
Council Member Compensation	\$ 263,932	\$ 79,055	30%	\$ 184,877
Advisory Body Stipends	\$ 69,499	\$ -	0%	\$ 69,499
Liaison (State, PSMFC)	\$ 898,195	\$ -	0%	\$ 898,195
Other (Salmon SAFE, SaMTAAC etc.)	\$ 407,075	\$ 111,633	27%	\$ 295,442
Total 2020	\$ 6,173,557	\$ 1,216,427	20%	\$ 4,957,131



EXPENDITURES FOR CY 2020 THROUGH APRIL STAFF PROPOSED NCE AND 2020 BUDGETS

Category	Proposed No Cost Extension 2020	No-Cost Extension Expenditures 4/30/2020	% of Total Budget	Expenditures Remaining
Staff Wages & Benefits	\$ 1,595,571	\$ 214,403	13%	\$ 1,381,168
Travel	\$ 345,855	\$ 49,270	14%	\$ 296,585
Supplies & Services	\$ 192,926	\$ 29,899	15%	\$ 163,027
Contractual				
Council Member Compensation	\$ 83,443	\$ 26,978	32%	\$ 56,465
Advisory Body Stipends	\$ 25,437	\$ -	0%	\$ 25,437
Liaison (State, PSMFC)	\$ 276,891	\$ -	0%	\$ 276,891
Other (Ecosystem, SaMTAAC etc.)	\$ 319,200	\$ 74,028	23%	\$ 245,172
Total 2020	2,839,323	394,578	14%	2,444,745

Category	Proposed 2020 Budget	CY 2020 Expenditures 4/30/2020	% of Total Budget	Expenditures Remaining
Staff Wages & Benefits	\$ 1,608,068	\$ 553,771	34%	\$ 1,054,297
Travel	\$ 432,741	\$ 98,955	23%	\$ 333,786
Supplies & Services	\$ 359,695	\$ 79,441	22%	\$ 280,254
Contractual				
Council Member Compensation	\$ 180,488	\$ 52,077	29%	\$ 128,411
Advisory Body Stipends	\$ 44,062	\$ -	0%	\$ 44,062
Liaison (State, PSMFC)	\$ 621,304	\$ -	0%	\$ 621,304
Other (Salmon SAFE, GF Spex, etc.)	\$ 87,875	\$ 37,605	43%	\$ 50,270
Total 2020	3,334,234	\$ 821,849	25%	\$ 2,512,386



2020-2024 Funds

- No cost extension must (currently) be spent out by end of 2020
 - Due to COVID-19 response, NCE spending less than anticipated
 - Will seek an extension into 2021 for these funds
- Funds remaining from 2020 appropriations carried over to '21-'24
 - Also spending less of these funds than anticipated
- NMFS has rolled-up our PPA and MPS into one line item in 2021 President's budget request
 - CCC recommending formula to keep distribution among RFMCs consistent
 - PFMC = 14.675% plus \$142K for Peer Review MPS line item
 - Can reconsider if appropriations drop more than 10%
 - Intent is to make a better approach to Congress, easier tracking



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 - \$40,247,000 Enacted
 - 2021 - Mixed messages in the President's budget
 - Increase for Councils, decrease for Commissions
- PFMC Base PPA and Management Programs & Services (MPS)
 - 2017 - \$4,280,000
 - 2018 - \$4,416,000
 - 2019 - \$4,585,000
 - 2020 - \$4,600,577



CCC CMOD Proposal

- Council Member Ongoing Development (CMOD) is a CCC proposal
 - Intended to replace the Fisheries Sustainability Forum workshops
- Biennial workshops that focus on one or two specific issues common to all RFMCs.
- Up to four Council members or staff from each RFMC could attend, plus one NMFS region staff.
- NMFS has committed to funding \$55K for 2021
- Each RFMC would share the rest (~\$17K each including travel)
 - \$25K in 5-yr Grant
- Workshops held in a central location (e.g., Denver) to make travel costs equitable
- Proposal is to reevaluate program after two workshops
- CCC meets May 27-28, will seek approval



2021 Budget Planning

- September - Identify Priorities
 - COP 9: Council Staff prepares for consideration by the Budget Committee a proposed preliminary annual budget for Council operations which documents all major aspects of the Council's fiscal affairs and identifies balances, performance obligations, potential amounts and sources of current and future fiscal year funding, current and projected costs of activities, and addresses multi-year cash-flow needs, staffing stability and other contingencies while generally associating higher priority Council activities with secure funding sources.
- November - Adopt Provisional 2021 Budget
 - COP 9: 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.



BC Membership and Officers

- No more than seven voting members, including:
 - The Council Chair
 - One voting member from each state: agency or appointed
 - The Council Chair could serve as one of these members
 - One at-large member
 - A representative of PSMFC
 - A representative of NMFS West Coast Region
- The Budget Committee shall elect its chair and vice-chair from among its members
- Appointments and election of officers shall generally occur at the June or September Council meetings
 - At-Large Vacancy (Michele Culver)
 - Council Chair transition (Phil Anderson to Marc Gorelnik)



Council Staff Recommendations

- Approve a Combined 2020 Operational Budget of \$6,173,557
 - \$3,334,234 2020 New Grant Funds
 - Including \$10K for MREP Science Workshop
 - \$2,839,323 No-Cost Extension of remaining 2015-2019 funds
- Consider CCC CMOD proposal
- Consider membership issues
- Plan next BC meeting(s)
 - September to set 2021 priorities, consider membership as appropriate
 - November to adopt 2021 provisional budget
 - Consider guidance for extension into 2021 of 2020 NCE as appropriate



BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

