

EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE November 2020



BUDGET COMMITTEE TASKS

At this meeting the Budget Committee needs to:

- Review 2020 budget status update
- Review the Proposed 2021 Provisional Budget Alternatives*
- Recommend a Provisional Budget for Council Consideration
- Discuss Next Meeting Options

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.



EXPENDITURES FOR CY 2020 THROUGH SEPTEMBER COMBINED 2020 AND NCE OPERATIONAL BUDGETS

Category	Combined 2020 Budget	Combined 2020 Expenditures 9/30/2020	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)	% of Total Budget
Staff Wages & Benefits	\$ 3,203,639	\$ 1,704,101	\$ 735,226	\$ 764,312	76%
Travel	\$ 778,596	\$ 245,304	\$ 13,000	\$ 520,293	33%
Supplies & Services *	\$ 552,621	\$ 294,460	\$ 82,065	\$ 176,096	68%
Contractual					
Council Member Compensation	\$ 263,932	\$ 135,078	\$ 90,260	\$ 38,594	85%
Advisory Body Stipends	\$ 69,499	\$ -	\$ 69,499	\$ -	100%
Liaison (State, PSMFC)	\$ 898,195	\$ 49,766	\$ 872,429	\$ (24,000)	103%
Other (Salmon SAFE, SaMTAAC etc.)	\$ 407,075	\$ 215,347	\$ 149,573	\$ 42,156	90%
Total 2020	\$ 6,173,557	\$ 2,644,056	\$ 2,012,050	\$ 1,517,451	75%



CY 2020 Funding and Budget Summary

CY 2015-2019 COOPERATIVE AGREEMENT

Source of Funds or Designated Use	Dollars	Comments
2015-2019 Grant Funds Remaining	\$2,839,323	2019 Delayed Spending Balance
CY 2020 No Cost Extension Budget	\$2,839,323	Adopted June 2020
Expectation of spending to year end	\$1,640,317	58% of budget
Projected Surplus for use in 2021	\$1,199,006	Extension of Funds has been requested

CURRENT FUNDING FOR CY 2020-2024 COOPERATIVE AGREEMENT

Source of Funds or Designated Use	Dollars	Comments
CY 2020 Funds (as of October 1, 2020)	\$4,600,577	No change
CY 2020 Operational Budget	\$3,334,234	Adopted June 2020
Expectation of spending to year end	\$3,015,789	90% of Budget
Projected Surplus for use in 2021-2024	\$318,445	Relative to the 2020 Budget
Delayed Spending Account Balance (From 2020-2024 Grant) at Year End 2020	\$1,584,788	Relative to 2020 Funds
Total funds remaining for use in 2021	\$ 2,783,794	No-Cost Extension and 2020 anticipated delayed spending account



2021 Budget Planning

- 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.
- When Appropriate
 - 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.



Appropriations

- Council Commissions Line Item
 - 2018 - \$35,871,000 Enacted
 - 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
 - \$44,577,000 Increase for Councils, decrease for Commissions
 - \$46,446,000 House Mark: includes \$250K for PFMC FEF
 - \$400K to NMFS for West Coast EM Video Review from separate line
 - Senate Mark completed but not yet available
- PFMC Base PPA and Management Programs & Services (MPS)
 - 2018 - \$4,416,000
 - 2019 - \$4,585,000
 - 2020 - \$4,600,577
 - 2021 - Planning on same as 2020

No Change Since September



2021 NCE Budget

- No-cost extension must (currently) be spent out by end of 2020
 - Due to COVID-19 response, NCE spending less than anticipated
 - Applied for an extension into 2021 for remainder of these funds

Category	Expected Spend 2020	Proposed 2021 Budget
Staff Wages & Benefits	\$ 816,802	\$ 596,551
Travel	\$ 71,390	\$ 150,283
Supplies & Services	\$ 101,546	\$ 82,696
Contractual		
Council Member Compensation	\$ 89,102	\$ 63,383
Advisory Body Stipends (2020)	\$ 25,437	\$ 17,965
Liaison (State, PSMFC)	\$ 276,891	\$ 168,204
Other (Salmon SAFE, SaMTAAC etc.)	\$ 259,149	\$ 119,925
Total	\$ 1,640,317	\$ 1,199,006



Proposed 2021 Provisional Budget - Staff

Category	Total Operational 2020* Budget	Proposed Provisional 2021	% Increase/Decrease
Staff Wages & Benefits	\$ 3,203,639	2,338,665	-27.0%
Travel	\$ 778,596	581,366	-25.3%
Supplies & Services	\$ 552,621	636,785	15.2%
Contractual			
Council Member Compensation	\$ 263,932	245,195	-7.1%
Advisory Body Stipends (2020)	\$ 69,499	69,499	0.0%
Liaison (State, PSMFC)	\$ 898,195	650,691	-27.6%
Other (Salmon SAFE, SaMTAAC etc.)	\$ 407,075	236,750	-41.8%
Total	\$ 6,173,557	4,758,951	-22.9%

* Includes spending for NoCostExtension

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

Contract	Total Operational 2020* Budget	Preliminary Proposed 2021	% Increase/Decrease
Alaska - Liaison & Planning			
California - Liaison & Planning	\$ 246,601	\$ 190,128	-22.9%
Idaho - Liaison & Planning	\$ 70,519	\$ 48,954	-30.6%
Oregon - Liaison & Planning	\$ 261,908	\$ 185,861	-29.0%
Washington-Liaison & Planning	\$ 245,144	\$ 174,399	-28.9%
PSMFC-Liaison & Planning	\$ 74,023	\$ 51,349	-30.6%
Subtotal	\$ 898,195	\$ 650,691	-27.6%
Other (Salmon SAFE, SaMTAAC etc.)	\$ 407,075	\$ 236,750	-41.8%
Grand Total	\$ 1,305,270	\$ 887,441	-32.0%



Proposed 2021 Provisional Budget -Council Motion

Category	Total Operational 2020* Budget	Proposed Provisional 2021	% Increase/Decrease
Staff Wages & Benefits	\$ 3,203,639	2,338,665	-27.0%
Travel	\$ 778,596	581,366	-25.3%
Supplies & Services	\$ 552,621	636,785	15.2%
Contractual			
Council Member Compensation	\$ 263,932	245,195	-7.1%
Advisory Body Stipends (2020)	\$ 69,499	69,499	0.0%
Liaison (State, PSMFC)	\$ 898,195	898,195	0.0%
Other (Salmon SAFE, SaMTAAC etc.)	\$ 407,075	236,750	-41.8%
Total	\$ 6,173,557	5,006,455	-18.9%

* Includes spending for NoCostExtension

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

Contract	Total Operational 2020* Budget	Preliminary Proposed 2021	% Increase/Decrease
Alaska - Liaison & Planning			
California - Liaison & Planning	\$ 246,601	\$ 246,601	0.0%
Idaho - Liaison & Planning	\$ 70,519	\$ 70,519	0.0%
Oregon - Liaison & Planning	\$ 261,908	\$ 261,908	0.0%
Washington-Liaison & Planning	\$ 245,144	\$ 245,144	0.0%
PSMFC-Liaison & Planning	\$ 74,023	\$ 74,023	0.0%
Subtotal	\$ 898,195	\$ 898,195	0.0%
Other (Salmon SAFE, SaMTAAC etc.)	\$ 407,075	\$ 236,750	-41.8%
Grand Total	\$ 1,305,270	\$ 1,134,945	-13.0%



2021 Budget Alternatives

- Include 3 in-person Council and 2 in-person CCC meetings
 - We plan to host an October 19-21 CCC meeting in Monterey, CA
- Fully funded leave account in 2020 from 2020 NCE, eliminated contributions from 2021 budget reducing staff benefits cost
- Agency Liaison Contracts
 - Staff Alternative reflects 5-year grant budget (15% increase from 2019)
 - Council Motion Alternative includes +\$248K to match combined 2020 and NCE level



2021 Budget Alternatives

Include the following Contracts:

- \$50,000 to retain Data Analyst on contract (mostly NCE)
- \$45,000 for RFMO contractors (mostly NCE)
- \$40,000 to retain Ecosystem on contract (NCE)
- \$25,000 to retain SONCC coho modeler on contract (NCE)
- \$25,000 to retain Economic Analyst for salmon and GF
- \$15,000 for MREP workshops
- \$12,000 for Website support (NCE)
- \$10,000 for Research and Data Needs database (NCE)
- \$ 7,875 for CCC Legislative Liaison
- \$ 6,875 for CMOD training (plus travel costs)



2021 Budget and Funding Implications

- Combined 2021 & NCE budgets are \$4.76M (Staff) and \$5.0M (Council Motion)
- Expected funds available are \$6.2M to \$7.4M
 - \$4.6M Status quo 2021 appropriation - assumed
 - \$1.6M 2020 Delayed spending account - projected
 - \$1.2M 2015-2019 No-Cost Extension - if application is approved
- 2022 Delayed Spending Account projections range from \$1.2M - \$2.6M



Council Staff Recommendations

- Recommend provisional 2021 Budget to Council
 - Recognize approval/disapproval of NCE application could affect operational budget discussions
- Plan for Next BC meeting
 - Review status of NCE application
 - Consider appropriation levels
 - Consider COVID-19 travel/meeting effects and assumptions
 - Adopt 2021 operational budget
- Expect update in March EDs Report
 - Schedule next BC meeting for April or June at that time



BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

