

EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE June 2021



BUDGET COMMITTEE TASKS

At this meeting the Budget Committee should:

- Recommend a 2021 Operational Budget to the Council for use during the remainder of the 2021 Calendar Year*
- Approve 2020 audit results
- Discuss future BC meetings
- Consider membership and officers

*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.



CY 2020 Budget and 2020-2021 Funding 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 Spent 2020	\$2,839,323	Adopted June 2020
	\$1,578,357	56% of budget
Surplus for use in 2021	\$1,260,966	\$62K more than November projection

CURRENT FUNDING FOR CY 2020-2024 COOPERATIVE AGREEMENT

CY 2020 Funds (as of October 1, 2020)	\$4,600,577	No change
CY 2020 Operational Budget	\$3,334,234	Adopted June 2020
2020 spending to year end	\$2,976,147	89% of Budget
Surplus for use in 2021-2024	\$1,624,430	Delayed Spending Account; \$41K more than November projection

New CY 2021 Funds

Base and Ongoing Soft Funds:

Received (12/29/20)

2,000,000

PPA and MPS Base Funds

Received (3/15/21)

2,639,642

PPA and MPS Base Funds

250,000

Designated Funds for FEP Initiatives

Subtotal New Funds

\$4,889,642

Total 2020-2024 Funds (as of June 1, 2021)

\$6,514,072

Combined 2020-2024 and NCE funds for use in 2021

\$ 7,775,038

2021 Funds Received, 2020 surplus from No-Cost Extension and 2020 Delayed Spending ³



CY 2020 Budget and Expenditures

Category	Total Budget 2020	Final 2020 Expenses	Projected Budget Surplus or (Deficit)	% of Total Budget
Staff Wages & Benefits	\$ 3,203,639	\$ 2,424,716	\$ 778,924	76%
Travel	\$ 778,596	\$ 260,283	\$ 518,313	33%
Supplies & Services	\$ 552,621	\$ 359,932	\$ 192,688	65%
Contractual	\$ -	\$ -		
Council Member Compensation	\$ 263,932	\$ 227,205	\$ 36,726	86%
Advisory Body Stipends	\$ 69,499	\$ 70,438	\$ (939)	101%
Liaison & Plan (State, PSMFC, Other)	\$ 1,305,270	\$ 1,211,930	\$ 93,340	93%
Total 2020	\$ 6,173,556	\$ 4,554,504	\$ 1,619,053	74%

Detail of State and PSMFC Liaison and Planning, and Other Contractual for 2020

Contract	2020 Budget	Final 2020 Expenses	Projected Budget Surplus or (Deficit)	% of Total Budget
Alaska - Liaison & Planning	\$ -	\$ -		
California - Liaison & Planning	\$ 246,601	\$ 270,234	\$ (23,633)	110%
Idaho - Liaison & Planning	\$ 70,519	\$ 51,150	\$ 19,369	73%
Oregon - Liaison & Planning	\$ 261,908	\$ 260,089	\$ 1,819	99%
Washington-Liaison & Planning	\$ 245,144	\$ 245,144	\$ -	100%
PSMFC-Liaison & Planning	\$ 74,023	\$ 39,426	\$ 34,597	53%
Subtotal	\$ 898,195	\$ 866,043	\$ 32,152	96%
Other Contractual (e.g., GF Spx, Sal, IQ)	\$ 407,075	\$ 345,886	\$ 61,189	85%
Grand Total	\$ 1,305,270	\$ 1,211,930	\$ 93,340	4 93%



CY 2021 Staff Proposed Operational Budgets

Category	Proposed Operational 2021	Proposed Operational No-Cost Extension 2015-2019 Grant	Proposed Combined 2021 Operational Budget	2021 Provisional Budget
Staff Wages & Benefits	\$ 1,891,443	\$ 499,042	\$ 2,390,484	\$ 2,338,665
Travel	\$ 291,121	\$ 96,997	\$ 388,118	\$ 581,366
Supplies & Services	\$ 502,515	\$ 114,260	\$ 616,776	\$ 636,785
Contractual				
Council Member Compensation	\$ 192,579	\$ 70,849	\$ 263,427	\$ 245,195
Advisory Body Stipends (2021)	\$ 55,599	\$ 13,900	\$ 69,499	\$ 69,499
Liaison (State, PSMFC)	\$ 608,967	\$ 323,228	\$ 932,195	\$ 898,195
Other (Salmon SAFE, SaMTAAC etc.)	\$ 168,931	\$ 211,000	\$ 379,931	\$ 236,750
Total	\$ 3,711,154	\$ 1,329,276	\$ 5,040,430	\$ 5,006,455

Contract	Proposed 2021 Fund Budget	Proposed 2021 No Cost Extension Budget	Proposed Combined 2021 Operational Budget	2021 Provisional Budget
Alaska - Liaison & Planning			-	
California - Liaison & Planning	\$ 180,039	\$ 95,562	\$ 275,601	\$ 246,601
Idaho - Liaison & Planning	\$ 46,067	\$ 24,452	\$ 70,519	\$ 70,519
Oregon - Liaison & Planning	\$ 171,094	\$ 90,814	\$ 261,908	\$ 261,908
Washington-Liaison & Planning	\$ 163,409	\$ 86,735	\$ 250,144	\$ 245,144
PSMFC-Liaison & Planning	\$ 48,356	\$ 25,667	\$ 74,023	\$ 74,023
Subtotal	\$ 608,967	\$ 323,228	\$ 932,195	\$ 898,195
Other (Salmon SAFE, SaMTAAC etc.)	\$ 168,931	\$ 211,000	\$ 379,931	\$ 236,750
Grand Total	\$ 777,898	\$ 534,228	\$ 1,312,126	\$ 1,134,945



Differences in 2021 Provisional and Operational

- Staff wages and benefits - Higher Costs
 - 2.5 months of ED double fill, moving expenses
- Travel Expectations - Lower Costs
 - Less travel to June and September Council meetings
- Services and Supplies - Slightly Lower Costs
 - Delayed office expansion lowered rent
 - Office expansion improvements increased costs
- Contracts - Higher Costs
 - Council Member Compensation - ED selection committee
 - State Contracts - Travel funds shifted back to contracts
 - Outside Consultants and Contracts - Placeholders in provisional
 - SONCC Coho, Sablefish Gear Switching & MSE, GIS Mapping



EXPENDITURES FOR CY 2021 THROUGH MAY

STAFF PROPOSED TOTAL COMBINED 2021 AND NCE

Category	Proposed Total Combined 2021 Budget	Combined 2021 Expenditures 5/31/2021	% of Total Budget	Expenditures Remaining
Staff Wages & Benefits	\$ 2,390,484	\$ 965,868	40%	\$ 1,424,617
Travel	\$ 388,118	\$ 6,508	2%	\$ 381,610
Supplies & Services	\$ 616,776	\$ 148,318	24%	\$ 468,458
Contractual		\$ -		
Council Member Compensation	\$ 263,427	\$ 65,387	25%	\$ 198,040
Advisory Body Stipends	\$ 69,499	\$ -	0%	\$ 69,499
Liaison (State, PSMFC)	\$ 932,195	\$ 84,036	9%	\$ 848,159
Other (Salmon SAFE, SaMTAAC etc.)	\$ 379,931	\$ 128,375	34%	\$ 251,556
Total 2021	\$ 5,040,430	\$ 1,398,491	28%	\$ 3,641,939

Contract	Total Combined Budget	Billed 5/31/2021	Balance Remaining
California - Liaison & Planning	\$ 275,601	\$ -	\$ 275,601
Idaho - Liaison & Planning	\$ 70,519	\$ 19,960	\$ 50,559
Oregon - Liaison & Planning	\$ 261,908	\$ 45,705	\$ 216,203
Washington-Liaison & Planning	\$ 250,144	\$ -	\$ 250,144
PSMFC-Liaison & Planning	\$ 74,023	\$ 18,371	\$ 55,652
Subtotal	\$ 932,195	\$ 84,036	\$ 848,159
Other (Salmon SAFE, SaMTAAC etc.)	\$ 379,931	\$ 128,375	\$ 251,556
Grand Total	\$ 1,312,126	\$ 212,411	\$ 1,099,715



2020-2024 Funds

- No cost extension must be spent out by end of 2021
 - Received an extension into 2021 for these funds
 - Expect to spend all funds on project related expenses
- Funds remaining from 2020 appropriations carried over to '21-'24
 - Also spending less of these funds than anticipated
- 2021 slight increase for RFMCs
 - PFMC Ecosystem Plan implementation earmark of \$250K
- NMFS attempted to roll-up our PPA and MPS into one line item in 2021 budget, but Congress declined request
 - Not proposed in FY22 NOAA budget
- President's budget emphasizes:
 - Climate science to improve surveys and fishery management decisions
 - Effects of wind energy on fisheries and ecosystems, EFH consultations



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, 0.1% increase for RFMCs
 - 2021 - \$41,500,000 Enacted, 3.1 % increase for RFMCs,
 - Spend plan only 1.9% increase
 - 2022 ~ \$42,516,000 President's Proposed ~ 2.4% increase
- PFMC Base PPA and Management Programs & Services (MPS)
 - 2017 - \$4,280,000
 - 2018 - \$4,416,000
 - 2019 - \$4,585,000
 - 2020 - \$4,600,577
 - 2021 - \$4,889,642 Includes \$250K over usual RFMC sharing for FEP



2022 Budget Planning

- September - Identify 2022 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 2022 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.



CY 2020 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

- Approve a Combined 2021 Operational Budget of \$5,040,430
 - \$3,711,154 2020-2024 New Grant Funds
 - \$1,329,276 No-Cost Extension of remaining 2015-2019 funds
- Approve Audit Results
- Plan Next BC Meeting(s)
 - September to set 2022 priorities
 - November to adopt 2022 provisional budget



BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

