

EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE September 2021



BUDGET COMMITTEE TASKS

At this meeting the Budget Committee needs to:

- Review 2021 budget status update
- Review the Preliminary Staff Proposed 2022 Provisional Budget*
- Identify future budget 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.



CY 2020 and 2021 Funding and Budget Summary

CY 2015-2019 COOPERATIVE AGREEMENT

Source of Funds or Designated Use	Dollars	Comments
Extension Funds for use in 2021	<u>\$1,260,966</u>	

CURRENT FUNDING FOR CY 2020-2024 COOPERATIVE AGREEMENT

Source of Funds or Designated Use	Dollars	Comments
2020 Funds remaining for use in 2021-2024	\$1,624,430	Delayed Spending Account
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
	<u>250,000</u>	Designated Funds for FEP Initiatives
Subtotal New Funds	<u>\$4,889,642</u>	
Total 2020-2024 Funds (no change since 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



EXPENDITURES FOR CY 2021 THROUGH JULY COMBINED 2021 AND NCE OPERATIONAL BUDGETS

Category	Total Combined 2021 Budget	Combined 2021 Expenditures 7/31/2021	% of Total Budget	Expenditures Remaining
Staff Wages & Benefits	\$ 2,390,484	\$ 1,319,370	55%	\$ 1,071,114
Travel	\$ 388,118	\$ 42,230	11%	\$ 345,888
Supplies & Services	\$ 616,776	\$ 212,218	34%	\$ 404,558
Contractual		\$ -		
Council Member Compensation	\$ 263,427	\$ 90,536	34%	\$ 172,892
Advisory Body Stipends	\$ 69,499	\$ -	0%	\$ 69,499
Liaison (State, PSMFC)	\$ 932,195	\$ 115,824	12%	\$ 816,371
Other (Salmon SAFE, SaMTAAC etc.)	\$ 379,931	\$ 193,127	51%	\$ 186,804
Total 2021	\$ 5,040,430	\$ 1,973,304	39%	\$ 3,067,126



2022 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.



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
\$43,000,000 House Appropriations Committee ~ 3.6% 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 Funds

- No-cost extension must be spent out by end of 2021
 - \$0
- Funds remaining from 2020-2021 appropriations carried over to 2022-2024
 - \$2.73M if 2021 Expenses = Operational Budget
 - Spending less of these funds than anticipated due to COVID
- Expectation for new 2022 funds range from:
 - \$4.64M (status quo minus \$250K FEP implementation)
 - to
 - \$4.81M (\$4.64M plus 3.6% House Appropriations Committee)



Preliminary Staff Proposed 2022 Provisional Budget

Category	Operational Budget 2021	Preliminary Proposed Provisional Budget 2022	% increase decrease
Staff Wages & Benefits	\$ 2,390,484	\$ 2,621,586	9.7%
Travel	\$ 388,118	\$ 1,030,662	165.6%
Supplies & Services	\$ 616,776	\$ 753,482	22.2%
Contractual			
Council Member Compensation	\$ 263,427	\$ 256,341	-2.7%
Advisory Body Stipends (2021)	\$ 69,499	\$ 69,499	0.0%
Liaison (State, PSMFC)	\$ 932,195	\$ 684,989	-26.5%
Other (Salmon SAFE, SaMTAAC etc.)	\$ 379,931	\$ 317,875	-16.3%
Total	\$ 5,040,430	\$ 5,734,434	13.8%

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

Contract	2021 Operational Budget	Preliminary Proposed Provisional Budget 2022	% increase decrease
Alaska - Liaison & Planning			
California - Liaison & Planning	\$ 275,601	\$ 188,526	-31.6%
Idaho - Liaison & Planning	\$ 70,519	\$ 53,164	-24.6%
Oregon - Liaison & Planning	\$ 261,908	\$ 200,066	-23.6%
Washington-Liaison & Planning	\$ 250,144	\$ 187,429	-25.1%
PSMFC-Liaison & Planning	\$ 74,023	\$ 55,804	-24.6%
Subtotal	\$ 932,195	\$ 684,989	-26.5%
Other (Salmon SAFE, SaMTAAC etc.)	\$ 379,931	\$ 317,875	-16.3%
Grand Total	\$ 1,312,126	\$ 1,002,864	-23.6%



2022 Budget

2022 budget is \$5.73M

- Includes 5 in-person Council and 2 in-person CCC meetings
 - Would save ~\$400K if all AB meetings were virtual
- Reduced staff benefits
 - Fully funded leave account in 2020, eliminated contributions from 2021 and 2022 budget reducing staff benefits cost
 - Used Medical reserve account in 2020 and 2021 to fund HRAs
- Agency Liaison Contracts
 - 31% increase from 2019 base level funding per 5-yr grant proposal
 - 26% decrease from 2020-2021 level as NCE has been spent out
- Other Contractors
 - Down 17% from 2021 (CCI, SONC Coho, Sablefish MSE, R&D Needs)



2022 Other Contracts

Includes the following Contracts:

- \$80,000 to retain Data Analyst on contract
- \$90,600 to retain Economic Analyst
- \$40,000 to retain GIS Mapping Analyst
- \$25,000 to retain MREP and Legislative Analyst
- \$25,000 for RFMO contractor(s)
- \$15,000 for MREP workshops
- \$22,100 for Website support
- \$ 7,875 for CCC Legislative Liaison



2022 Potential Priorities

- EO 14008 Projects
- BSIA Regional Framework
- Regional Electronic Technology Plan Review
- Research and Data Needs Update
- Marine Planning
- Fishery Ecosystem Plan Initiatives
- FEP 5-year Review



2022 Potential Priorities

- CPS Management Categories and Assessment Priorities
- CPS EFH Phase 2
- HMS EFH Phase 2
- DGN Hard Caps
- Swordfish Management and Monitoring Planning
- BFT Joint Working Group
- Albacore MSE?
- Salmon EFH Phase 1
- SFRC & KRFC Conservation Objective Review
- SRFC Age Structures Assessment



2022 Potential Priorities

- Fixed Gear Sablefish Tier Program Review
- Sablefish Gear Switching
- Sablefish MSE
- GF Electronic Monitoring
- Trawl Catch Share Program Review
- Whiting Utilization
- Non-trawl RCA
- GF Strategic Planning



2022 Council Workload Capacity

Less Capacity

- Council Floor Time w/ Webinars
- GMT, STT Transitions
- Council Staff
 - Groundfish Spex
 - Marine Planning

More Capacity

- Council Staff
 - New Economist Staff Officer
- Contractors
 - GF Data analyst
 - GIS Mapping Analyst
 - MREP-Legislative Analyst
- Not hosting the CCC



Council Staff Recommendations

- Provide guidance to staff for 2022 Provisional Budget priorities
 - Liaison Contracts
 - Other Contracts
 - Other Priorities
- Plan for November BC meeting
 - Adopt 2022 Provisional Budget



BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

