

EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE November 2021



BUDGET COMMITTEE TASKS

At this meeting the Budget Committee needs to:

- Review 2021 budget status update
- Review the Proposed 2022 Provisional Budget
- 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.



CY 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 SEPTEMBER COMBINED 2021 AND NCE OPERATIONAL BUDGETS

Category	Combined 2021 Budget	Combined 2021 Expenditures 9/30/2021	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)	% of Total Budget
Staff Wages & Benefits	\$ 2,390,484	\$ 1,812,466	\$ 577,677	\$ 341	100%
Travel	\$ 388,118	\$ 50,334	\$ 18,223	\$ 319,561	18%
Supplies & Services *	\$ 616,776	\$ 327,141	\$ 248,866	\$ 40,769	93%
Contractual					
Council Member Compensation	\$ 263,427	\$ 121,972	\$ 116,942	\$ 24,514	91%
Advisory Body Stipends	\$ 69,499	\$ -	\$ 69,499	\$ -	100%
Liaison (State, PSMFC)	\$ 932,195	\$ 362,096	\$ 575,099	\$ (5,000)	101%
Other (Salmon SAFE, SaMTAAC etc.)	\$ 379,931	\$ 234,050	\$ 87,745	\$ 58,136	85%
Total 2021	\$ 5,040,430	\$ 2,908,059	\$ 1,694,051	\$ 438,321	91%

Detail of State and PSMFC Liaison and Planning, and Other Contractual for 2021

Contract	Combined Budget**	Billed 9/30/2021	Balance Remaining	Anticipated Expenditures Remaining	Projected Budget Surplus or (Deficit)
California - Liaison & Planning	\$ 275,601	\$ 112,481	\$ 163,120	\$ 163,120	\$ -
Idaho - Liaison & Planning	\$ 70,519	\$ 36,470	\$ 34,049	\$ 34,049	\$ -
Oregon - Liaison & Planning	\$ 261,908	\$ 183,498	\$ 78,410	\$ 78,410	\$ -
Washington-Liaison & Planning	\$ 250,144	\$ -	\$ 250,144	\$ 255,144	\$ (5,000)
PSMFC-Liaison & Planning	\$ 74,023	\$ 29,647	\$ 44,376	\$ 44,376	\$ -
Subtotal	\$ 932,195	\$ 362,096	\$ 570,099	\$ 575,099	\$ (5,000)
Other (Salmon SAFE, SaMTAAC etc.)	\$ 379,931	\$ 234,050	\$ 145,881	\$ 87,745	\$ 58,136
Grand Total	\$ 1,312,126	\$ 596,146	\$ 715,980	\$ 662,844	\$ 53,136



2022 Budget Planning

- 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.
- 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.



Staff Proposed 2022 Provisional Budget

Category	Operational Budget 2021	Proposed Provisional Budget 2022	% increase decrease
Staff Wages & Benefits	\$ 2,390,484	\$ 2,662,325	11.4%
Travel	\$ 388,118	\$ 1,100,159	183.5%
Supplies & Services	\$ 616,776	\$ 743,880	20.6%
Contractual			
Council Member Compensation	\$ 263,427	\$ 264,089	0.3%
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	\$ 323,331	-14.9%
Total	\$ 5,040,430	\$ 5,848,272	16.0%

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

Contract	2021 Operational Budget	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	\$ 323,331	-14.9%
Grand Total	\$ 1,312,126	\$ 1,008,320	-23.2%



2022 Budget

2022 budget is \$5.85M

- Includes 5 in-person Council and 2 in-person CCC meetings
 - Would save ~\$600K if all AB meetings were virtual
- Reduced staff benefits
 - Fully funded leave account in 2021, eliminated contributions from 2022 budget reducing staff benefits cost
 - Used Medical reserve account in 2021-2022 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 15% 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



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 and Senate Marks~ 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
 - \$3.7M
- Expectation for new 2022 funds
 - \$4.8M (\$4.64M plus 3.6% House and Senate Marks)
- 2022 Award
 - \$2.4M received November 2, 2021
 - Expect balance by March 2022



Council Staff Recommendations

- Recommend staff proposed provisional 2022 Budget to Council
- Plan for Next BC meeting
 - Consider COVID-19 travel/meeting effects and assumptions
 - Adopt 2022 operational budget
- Expect update in March EDs Report
 - Schedule next BC meeting for April or June at that time



BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

