

# Executive Director's Report

November 2023

# What this presentation covers

- 2023 Budget Status and EOY forecast
- Provisional 2024 budget
  - Compared to 2023 budget, and
  - Compared to September preview
- IRA funding
  - Update
  - Funding proposal topics
- Committee-of-the-whole
  - Agenda concepts

# 2023 Operational Budget and EOY Forecast

## CY 2023 OPERATIONAL BUDGET AND EXPENDITURES

Category	Operational 2023 Budget	Expenditures as of 9/30	Anticipated Expenditures Remaining	Total Anticipated Expenditures for CY 2023	Projected Budget Surplus or (Deficiet)	% of Category
Staff Wages & Benefits	2,664,521	\$ 1,867,158	\$ 711,914	\$ 2,579,072	\$ 85,449	97%
Travel	1,184,808	\$ 602,704	\$ 387,726	\$ 990,430	\$ 194,378	84%
Supplies & Services	749,962	\$ 480,947	\$ 160,041	\$ 640,988	\$ 108,974	85%
Contractual						
Council Member Compensation	286,454	\$ 149,308	\$ 128,364	\$ 277,672	\$ 8,783	97%
Advisory Body Stipends	69,499		\$ 69,499	\$ 69,499	\$ -	100%
Liaison (State, PSMFC)	710,235	\$ 123,173	\$ 587,062	\$ 710,235	\$ -	100%
Other (Salmon SAFE, GF Spex, etc.)	233,203	\$ 183,432	\$ 74,533	\$ 257,965	\$ (24,762)	111%
Total 2023	5,898,682	\$ 3,406,722	\$ 2,119,139	\$ 5,525,861	372,822	94%

# Budget snapshot and delayed spending account forecast

Prior Calendar Year Funds remaining at end of 2022	\$ 3,119,197
CY 2023 Funds received	\$ 4,956,972
SWFSC (ISC Rappetour)	\$ 3,701
Trawl Cost Project (Phase 2)	\$ 170,000
Funds on hand (as of October 28, 2023)	<b><u>\$ 8,249,870</u></b>
Anticipated expenses	<u>\$ 5,525,861</u>
Expected funds remaining at end of CY 2023	<u>\$ 2,724,009</u>



# Provisional budget

Staff provisional budget is based on the budget preview provided in September, with some adjustments:

- Included plans for spending phase 1 IRA funding
- Added expenses for one additional workshop
- Fine tunes staff pay and benefits expense
  - Includes fine tuning plans for backfilling retirements
- Adjusts travel and meeting expense categories based on feedback from September
  - Includes expenses for IPHC annual meeting
  - Fine tunes expenses for participation in other international commissions

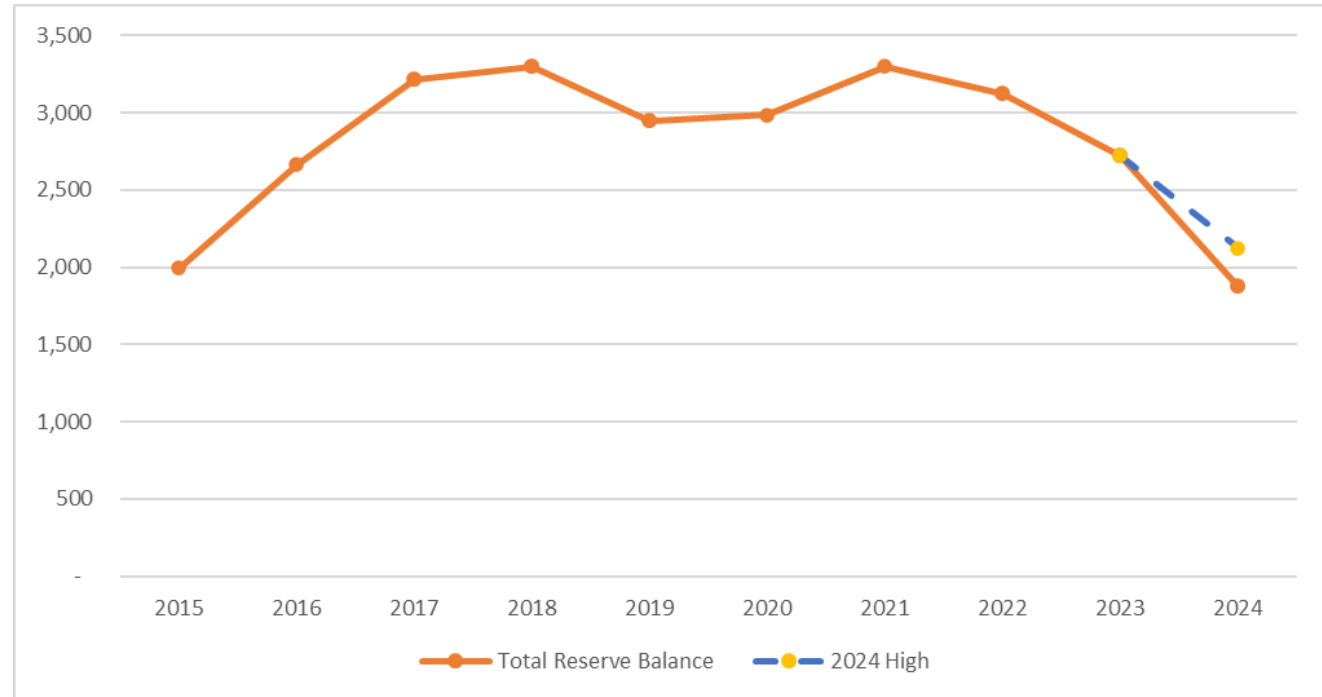
# Proposed Provisional Budget

Category	Operational 2023 Budget	Sept. Proposed Provisional Budget	Proposed Provisional Budget	Increase (Decrease) from 2023 operational
Staff Wages & Benefits	2,664,521	\$ 2,739,754	\$ 2,681,734	\$ 17,213
Travel	1,184,808	\$ 1,232,956	\$ 1,209,569	\$ 24,761
Supplies & Services	749,962	\$ 781,295	\$ 783,439	\$ 33,477
Contractual				\$ -
Council Member Compensation	286,454	\$ 286,648	\$ 288,006	\$ 1,552
Advisory Body Stipends	69,499	\$ 69,499	\$ 69,499	\$ -
Liaison (State, PSMFC)	710,235	\$ 710,235	\$ 710,235	\$ -
Other (Salmon SAFE, GF Spex, etc.)	233,203	\$ 285,963	\$ 437,663	\$ 204,460
<b>Total</b>	<b>5,898,682</b>	<b>\$ 6,106,350</b>	<b>\$ 6,180,145</b>	<b>281,463</b>

# Provisional budget contract detail

<b>Contract</b>	<b>2023 Budget**</b>	<b>Sept. Proposed Provisional Budget</b>	<b>Proposed Provisional Budget</b>	<b>Increase (Decrease) from 2023 operational</b>
California - Liaison & Planning	188,951	\$ 188,951	\$ 188,951	\$ -
Idaho - Liaison & Planning	55,822	\$ 55,822	\$ 55,822	\$ -
Oregon - Liaison & Planning	210,068	\$ 210,068	\$ 210,068	\$ -
Washington-Liaison & Planning	196,800	\$ 196,800	\$ 196,800	\$ -
PSMFC-Liaison & Planning	58,594	\$ 58,594	\$ 58,594	\$ -
Subtotal	710,235	\$ 710,235	\$ 710,235	\$ -
Other (Salmon SAFE, GF Spex, etc.)	233,203	\$ 285,963	\$ 437,663	\$ 204,460
Total for Contractual	943,438	\$ 996,198	\$ 1,147,898	\$ 204,460

# Delayed spending account forecast



*Note: two 2024 estimates are derived based on two different assumptions, 1) that entire 2024 provisional budget is spent, 2) that 96% of the provisional budget is spent*





## Key take-aways

- Our anticipated financial position for 2024 and the end of the grant period are improved from prior forecasts
- This better-than-expected financial situation has been achieved due to several actions: remote meetings, internal controls and efficiencies, and more
- Expenses are continuing to rise, while revenue assumptions are now flat—continued diligence will be necessary.
- Additional funding sources, such as IRA funding, may improve our financial outlook--but use of these funds is restricted

# IRA funding update and potential topics



## IRA Funding Updates

- NMFS opened the first proposal round on October 25th. This funding opportunity will be open through the end of the year
  - Funding for the first round = \$375K for each Council
- Proposals for the second round are still due January 31

# How this timing affects our budget process

At our November meeting we adopt a provisional budget

This budget is constructed based on:

- Base funding
- Anticipated supplemental funding: IRA phase 1, trawl cost project

Additional IRA funding may arrive in the spring that is not accounted for in our provisional budget

May necessitate a Budget Committee meeting in the spring prior to adoption of final operating budget

# Potential topics for January IRA funding proposal

As summarized in [C.4 Supplemental Attachment 1](#):

- FEP initiatives
  - Risk tables to inform spex setting
  - Community vulnerability assessment
  - Regulatory and bureaucratic constraints to adaptive management
- Groundfish stock definitions: draw upon approach used by ICES to establish “eco-regions”
- Fixed gear protected species bycatch mitigation: marine mammals are shifting migration routes due to warming waters.
- Klamath and Sacramento fall chinook harvest objectives: climate change (among other factors) alters the productivity and abundance of salmon, justifying a review of conservation objectives
- Queets spring/summer chinook rebuilding: initial perspectives are that the status of this stock is not substantially driven by fishing, but rather ecological conditions
- HMS road map and international governance: HMS species (and others) will shift location due to climate change, necessitating shifts in management approaches that address these movements

# Committee-of-the-whole

# Topics

## Day 1: Aligning Finances with Council Mission

- What constitutes our core activities, and what is the cost of that?
- What else are we spending money on, and how much?
- What do state liaison contracts fund that supports the Council?
- Do we want to make any realignments between finances and activities, in anticipation of next grant period?

## Day 2: Achieving Greater Effectiveness

- What makes the Pacific Council great?
- What can we do better?
- Recommendations for improving or restructuring

# Advance Preparations

- Utilize Council leadership and budget committee as a steering committee, as necessary
- Staff to prepare:
  - Budget analysis outlining:
    - Core responsibilities and expense
    - Additional activities and expense
  - Paper summarizing ideas that may improve Council process, governance, systems
- States to prepare:
  - Summary of how state liaison contract funding is used and how that supports the Council



# Tasks for the Budget Committee

1

Recommend adoption or suggest modifications to the staff provisional budget for 2024

2

Provide guidance on IRA funding proposals or process as necessary

3

Provide guidance on plans for committee-of-the-whole meeting as necessary