Agenda Item G.1 Supplemental Attachment 2 April 2024

# Budget Committee Presentation

Grant renewal and no-cost extension process

April 2024

# Two main topics

- 1. Grant renewal and associated renewal process
  - Due to a variety of factors, we are behind schedule on the grant renewal
  - We are attempting to honor the desire for a two-meeting process
  - This is the first of two meetings, with the second in June
  - The purpose today is clarity on our process and plan for moving forward
- No-cost extension
  - The Council will have funds remaining at the end of this grant period
  - We need to use these cautiously and strategically for financial stability
  - The purpose today is to discuss the process and our plans for a no-cost extension

#### 2025-2029 Grant Process

- Grant is now a 4 year+1 "extension" process to align with Department of Commerce requirement.
  - No extension into a 6<sup>th</sup> year unless something major happens
  - Applications are submitted for review in mid-August
- 2025 Budget should be consistent with 2024 funded levels (flat funding)
  - 2026-2028 is allowed to be a 5-10% increase to each out year of funds
- Next grant cycle will be 2029-2033

Tasks	2023			2024												2025	
	0	N	D	J	F	М	Α	М	J	J	Α	S	0	N	D	J	F
Exec Staff/NMFS Discussion on Grant Timeline and Base/Expected Increase Percentage																	
Staff prepares initial draft grant narrative and budget for BC review (Spring June 2024)																	
BC/Council provides input and recommends changes to the Grant Budget																	
Staff determines preliminary estimate of funds that may be remaining from 2020-2024 grant for possible no-cost extension.																	
Staff updates budgets to reflect action																	
Second draft of Grant Narrative and Budget for Council Adoption (June 2024), and-Draft of No-Cost Extension Projects and Budgets for BC review and approval by Council.																	
Staff Finalizes Grant Budget for Submission (Likely Summer - BC Chair notified when completed)																	
NMFS Reviews Grants and provides comments for any additional information needed and forwards grant to Grants Management Division																	
Staff Finalizes 2020-2024 No-Cost Extension and submits. (BC Chair notified when completed)																	
Funds provided to the Council for use in 2025-2029 Grant Period																	
Extension approved for use in 2025.																	

## 2025 No-Cost Extension

- Remaining funds at the end of 2024 are currently estimated at roughly \$2 M
  - Extensions request and associated budget are submitted to Grants Management Division no later than 60 days prior to the end award date (due Nov 1, 2024)
  - Given our financial outlook, these funds should be used strategically and cautiously to help manage our deficit condition
  - Staff Proposed use of funds
    - Strategic investments in technology and equipment that will have long term financial benefits (Supplies & Services, Contracting, Staffing)
    - 2024 projects that extend into 2025 (Council Meeting, Travel, Staffing, Contracting)
    - Ensure sufficient funding of staff liability funds (leave, sick pay, etc) plus investment of these funds (CDs, etc)

## Points for the committee

- Shared understanding of the grant renewal process and its importance
- Understanding of the no cost extension and how delayed spending account funds will be expended
- Budget and grant renewal process through the end of the year