

Executive Director’s Recommendations for Organizational and Process Refinements

1. Executive Summary

The recommendations provided in this report focus on the operations and processes of the Council and how these matters impact the Council’s budget. These recommendations stem from the January committee-of-the-whole (COTW) meeting where Council members discussed priorities and operations in the context of long-term financial prognosis, staff and advisor workload, and the need to support sound decision making by the Council.

This report first outlines background information that is relevant to the second part of the report which consists of recommendations and a road map to their implementation. These recommendations are relatively focused on the nature of Council meetings and the manner in which work is done by the Council’s advisory groups in order to support the Council. If the recommendations outlined in this report are implemented, this implementation would cause changes to the Council process and the roles and activities of those involved in it. However, it is the judgment of the Executive Director that the recommendations provided in this report are practical to implement and should not disrupt the decision-making support and capacity of the Council in a negative manner.

The implementation of any recommendations in this report should be done in a steady and logical manner that minimizes the risk of any disruption to the Council while proceeding at a pace quick enough to resolve fiscal challenges. A road map is provided in the latter section of this report which highlights A) a timeline for implementation, B) key options for implementation that are foundational to addressing Council financial issues. Achieving these recommendations will require a suite of approaches and the adoption of some milestones, both of which are outlined in the road map.

Addressing the Council’s current fiscal and workload constraints is possible. Doing so requires the implementation of operational changes which should streamline Council process while also reducing workload demands on those that support Council process and decision making. Fortunately, our near term fiscal condition is such that we can implement these changes in an orderly fashion over the next couple of years, but we need to begin acting soon.

2. Introduction

The Pacific Fishery Management Council (Pacific Council or Council) is considering changes to organizational structure and process in order to address issues related to finances, staff and advisor workload, and effective decision making. This issue has been under consideration since 2022, beginning with a handful of Council agenda items often referred to as “Council efficiencies.” These initial discussions took place as the COVID lock down era was coming to an end, and thus much of the discussion surrounding the Council efficiencies topic centered on the concept of remote and

hybrid meetings, their role in expense management, and how to best execute those types of meetings to support the Council process. During early 2022 the Council experimented with a variety of hybrid formats, beginning with a format that brought the Council and salmon groups together in-person, and later expanding to bring additional advisory groups in person. The COVID remote meeting era, the time immediately after the lock-down, and the time we find ourselves in today have all shown that a variety of remote and in-person meeting formats can work successfully.

In more recent months, the discussion has expanded beyond the concept of remote and hybrid meetings to include considerations of Council process, roles and responsibilities within that process, Council meeting format, detailed discussions of Council budgets, and more. This eventually gave rise to a [special meeting of Council members](#), referred to as a Committee-of-the-Whole (COTW). This meeting was organized in order to have focused discussions by Council members on these important matters outside of a Council meeting. Two main objectives were addressed at the COTW meeting, including 1) agenda item prioritization by the Council, and 2) Council organization and process. These two items were considered through the lens of finances, workload, and effective decision making.

Several recommendations came from the COTW meeting, as outlined in the April report ([Agenda Item G.2.a, COTW Report 1](#)). Included in this report is a request that the Council's Executive Director bring forward specific recommendations for changing Council structure and process. This report contains those recommendations.

3. Description of Problem

The current organizational and operational structure of the Council requires a certain amount of financial and human resources to support it. By many accounts, people – including Council staff, state, federal, and Tribal staff, and members of Council Advisory Bodies - supporting the Council are working far in excess of full time. As outlined in many Budget Committee reports to the Council over the last couple of years, the financial demands of Council operations exceed base funds.

As indicated in the [January COTW report](#), given current operational practices and Council processes, base funding is large enough to support items defined as “core” Council activities, but no more. By core activities we mean those activities necessary to develop and amend fishery management plans to implement the statutory requirements of the Magnuson-Stevens Act, and other closely related laws (e.g., ESA, MMPA, Tribal fishing rights). Issues not defined as “core” activities are also meaningful endeavors; however, the risk of keeping these topics within our scope of work could mean continuing substantial budget deficits, which is not a sustainable prospect. Such an outcome would eventually result in the need to make difficult decisions regarding Council agenda and workload prioritization while under financial duress.

Under current operational practices, the Council will soon come to a point where it will need to substantially reduce the number of agenda topics it works on and focus exclusively on “core activities”. However, this is based on one important caveat -- if changes to Council operations and processes can be implemented which reduce the financial and human resource demands currently required of the Council, these resources could be freed up to help continue some of the Council's current initiatives that are in addition to those defined as “core activities”.

At the January COTW meeting, Council members expressed a desire to “stanch the financial bleeding” that the Council is currently experiencing. The way this goal was expressed recognized that deficits were likely to continue after the Council has finished working through this exercise, but they would be made more manageable. From this more manageable deficit condition, the Council could consider its next course of action. At that time the Executive Director indicated that a deficit on the order of \$300,000 per year was – in his judgment – a manageable deficit figure for the next couple of years. Implied in the stated objective of a “more manageable deficit” is the understanding that the Council will continue to work on matters that are in addition to core activities. The question is, how many non-core activities will the Council be able to continue? The answer to this question is ultimately the result of a balance that will need to be struck between 1) a reasonable deficit size, 2) the prioritization of non-core activities, and 3) the freeing up of resources by changing Council operations and process.

The expectation of IRA funds coming to the Council should help the Council to continue at least temporarily to work on activities which otherwise may need to be paused. If these funds do arrive, this temporary financial boost could help provide for an orderly implementation of any new Council operations and process over the next two years (potentially three).

The Council tasked the Executive Director to provide recommendations addressing these financial and human resource challenges. This task stemmed from the COTW discussions, which were wide ranging and covered topics that included: the scope of Council activities, the organization and location of Council meetings, and staffing support (from Council staff, state, tribal and Federal agencies), with a specific focus on recommendations and suggestions that align with Council operations and process. As such, the recommendations provided here are focused on Council operations and process. Any future recommendations regarding the scope of Council agenda topics will require direction by the Council.

3.1. Description of financial status and the Council’s structural deficit

Total Council expenses have increased in recent years due to inflationary pressures and other factors. In real inflation adjusted terms, Council budgets have been declining for the last 6 years and in 2024 Council base budgets were flat compared to 2023. This context has been explained in detail in prior reports to the Budget Committee and at the COTW and are not repeated here. This report focuses on 2024 expenses as a baseline in terms of the share of activities supported by “soft” money versus those supported by base funds and the delayed spending account¹.

The Council’s 2024 provisional budget is \$6,180,145 compared to a base income amount of \$4,956,972. In addition to these base funding levels, the Council anticipates funding for phase 2 of the trawl cost project, funding from the Inflation Reduction Act (some of which is included in the \$6.18 million provisional budget), and other smaller sources. These additional sources of income have been contemplated in the provisional budget, meaning the 2024 provisional budget includes expenses that should be considered “soft” money expenses. These soft money funds must be used for the specific projects for which they were requested.

¹ A delayed spending account refers to funds received by the Council which have not yet been spent on Council activities.

In addition to expenses associated with soft money, the Council is currently undergoing staff transitions that will result in a temporary surge of staff expenses due to overlap of retiring with incoming staff. These expenses will moderate after 2024.

The table below uses the 2024 provisional budget to summarize how temporary/soft money expenses can be deducted from the budget in order to get a better picture of the Council’s long-term deficit picture. After deducting \$201,696 in expenses attributed to temporary projects, and \$244,340 due to staff transitions, the portion of the 2024 budget attributed to “base” funding and to the “delayed spending account” equals \$5.7 million. This results in a deficit condition of \$777,137, a figure which does not account for future changes in income or inflation. Although these income and inflationary pressures have become more difficult to predict, it is the general consensus of the Council Coordinating Committee (CCC) that the financial condition of the Councils will continue to deteriorate due to relatively flat funding and higher than accustomed inflation.

Council staff and Council members representing themselves as such are prohibited from lobbying Congress for increased funding. However, requests can be made to the leadership of NMFS, who can then work to incorporate funding into the Presidential Budget or other avenues. The Executive Director and the CCC have communicated with NMFS about existing financial challenges, and these challenges are an ongoing topic of discussion at the CCC. IRA projects will allow the Council to develop and implement processes and measures that will increase our responsiveness to climate change. However, without a long-term increase to base funding, meeting our current obligations mandated under MSA and other applicable laws, much less addressing new initiatives to improve our conservation and management programs, will be challenging.

What this table shows is that some of the Council’s deficit condition will eventually be offset by ongoing staff turnover, but the deficit is still substantial. Noting the consensus of the CCC, as stated above, the structural deficit (the underpinning deficit that is likely to persist over the long term) is likely to deteriorate further. The Council will thus need to make some difficult decisions.

Expense Category	Expenses	Temporary/Soft Money Expense
Total 2024 Provisional Budget (Base + IRA + Other)	\$ 6,180,145	
Less Soft Money Expenses (IRA, trawl cost, etc)		\$ 201,696
Total Expense Attributed to Base Budget and DSA	\$ 5,978,449	
Less 2024 Staff Overlap Expenses		\$ 244,340
Beyond 2024 Provisional Base Budget	\$ 5,734,109	
Base Income Amount	\$4,956,972	
Potential Long Term Annual Deficit (Base Income minus Base Budget)	\$ (777,137)	

note: long term annual deficit estimate does not account for inflation, COLAs, future income streams, and other similar potential variations in income and expenses.

3.2. Expense Proportions

As described in prior reports to the Budget Committee, Council expenses can be broken into several major categories. From these categories, staff expenses are the Council's largest expense, followed by travel, services and supplies, state liaison contracts, other contracts, and stipends. The size of these categories are illustrated in Figure 1 below. All these expense categories are likely to increase at varying rates but generally in line with overall price inflation.

- Staff expenses are the largest cost category, which is typical for most organizations. Anticipated staff expenses in 2024 are somewhat higher than would otherwise be the case due to staff turnover and the overlap of outgoing staff with new staff. Longer-term staff expenses will depend upon the seniority level of new staff that are hired. The level of seniority will align with the envisioned scope and complexity of future Council agenda items and operations.
- Travel expenses are heavily influenced by meeting size and location. Meeting location is also largely dictated by meeting size. For example, our April meetings require a large venue to host the many participants involved. Venues large enough to host the April meetings are only present in large west coast cities. These large cities are the most expensive places to meet due to high per diem and lodging costs.
- Supplies and services tend to be fairly stable costs. This category includes the expenses associated with IT infrastructure, office space (which is currently leased at highly competitive rates), and other matters that are necessary expenses for any organization. One variable that is subject to change in this category are several expenses charged by meeting venues for hosting meetings, such as IT, equipment, and audio visual. These expenses tend to be fairly stable, but some locations charge fairly large sums while other charge very little (with most in the middle).
- State liaison contracts are those expenses that are provided to the states for their participation and support of the Council process. These expenses help support Council, management team, and SSC members employed by state agencies. It is possible that these expenses could vary with changes in the scope and complexity of Council activities or operations.
- Other contractual expenses are contracts that are used to support program initiatives, such as economic analysis for salmon season setting, economic analysis for groundfish specifications, meeting facilitators, and the Council's newsletter. These expenses can vary depending upon the scope of Council activities and their complexity.
- Stipends concern those expenses that are related to the paying of stipends for Council members and to Advisory Subpanel members. These expenses can vary based on the number of Council meeting days.

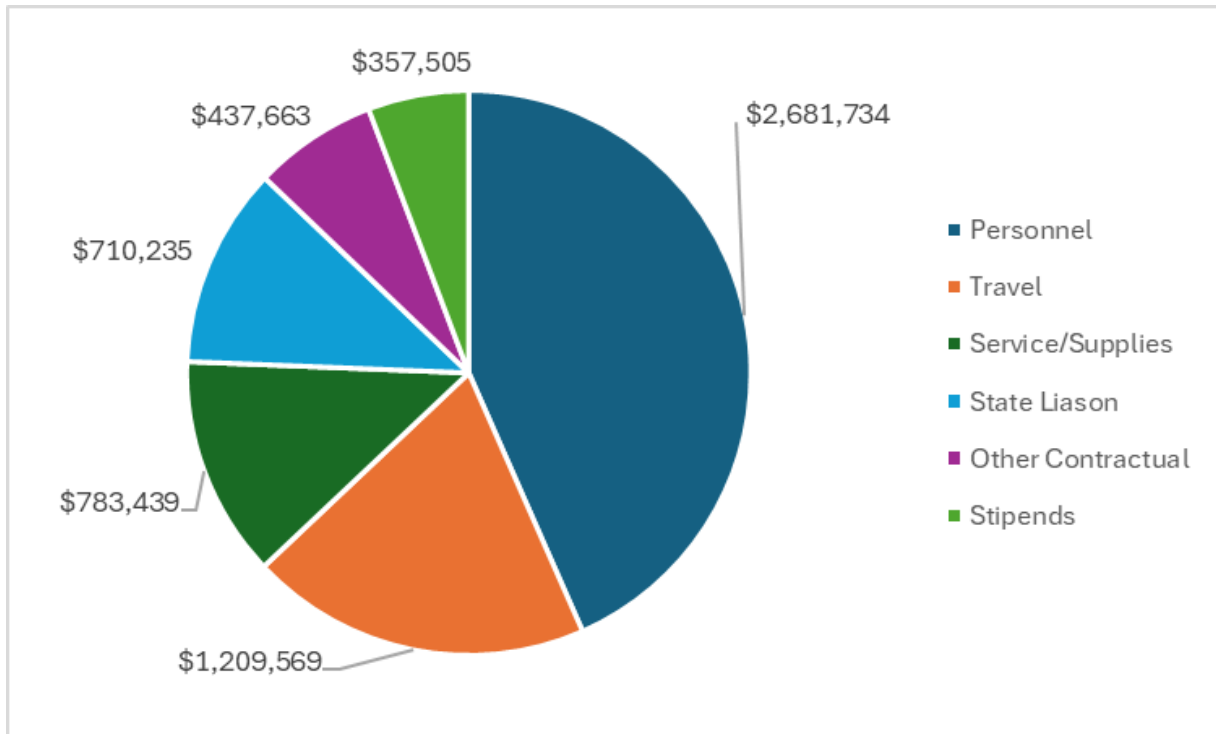


Figure 1 Council Expenses by Major Category (2024 Provisional Budget)

To align Council finances with income, we need to reduce expenses across all these categories, if possible. The following sections highlight – in broad terms -- possible cost reductions in each of these expense categories.

3.3. Personnel Expenses

The largest component of Council expenses is for personnel, which is typical for most organizations. Current personnel expenses are slightly higher than would normally be the case due to pending retirements and overlap between outgoing staff and new staff. This overlap is important to maintain the orderly operation of the Council. Figure 2 below illustrates how the current overlap is affecting personnel expenses, and how expenses may look after the current phase of staff retirements concludes. Note that these figures are all in 2024 dollars and do not account for future cost-of-living expenses and potential staff advancements.

Figure 2 shows 1) an estimate of what staffing expenses would be in 2024 if staffing in place at the start of the year continued through 2024, 2) current estimates of staffing expenses that account for retirements, new hires, and the need for staffing overlap during this transition, and 3) staff expenses after the staffing transition has concluded (assuming 2024 salary rates). Hires made to backfill retiring staff will occur at a lower grade and/or step level than retiring staff². Over time, and as new staff become more experienced and are compensated accordingly, these personnel expenses will increase.

² All US fishery management Councils follow Federal pay scales. The PFMC utilizes the General Schedule (GS) for the Portland vicinity.

Staff retirements/turnover will affect the Council process in at least two ways. Current levels of staff capacity are quite high, but new staff will need some time to acquaint themselves and gain familiarity and expertise with the Pacific Council process. This will require the Council to reign in and/or slow down some initiatives as staff capacity rebuilds. The second way in which this turnover will affect the Council is on the budgetary side, as indicated in previous paragraphs. Over time both capacity and expenses will increase. Any further reductions in staff expenses from those outlined in the figure below would require substantial changes to Council priorities and operations.

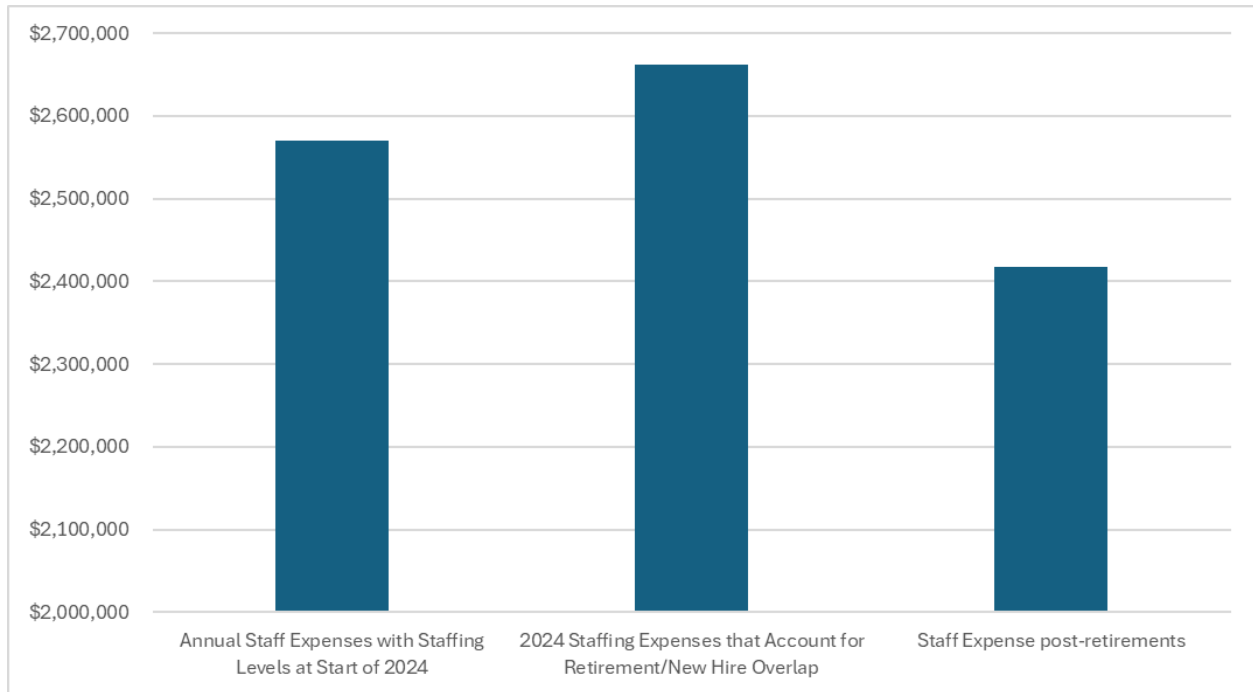


Figure 2 Council personnel expenses by scenario (numbers assume 2024 rates and do not account for future COLAs, changes to insurance premiums, etc.)

3.4. Travel Expenses

Travel expenses constitute the Council’s second largest expense category. These expenses are mainly influenced by two factors: 1) meeting size and 2) meeting location. The two are interrelated in that meeting size has a strong influence on meeting location. Council meetings have grown over time and there are fewer and fewer venues that are able to host these meetings, and fewer yet that are willing to host these meetings at Federal lodging rates and with reasonable add-on expenses (food and beverage minimums, etc.). These larger venues are almost exclusively located in large west coast metro areas where expenses are high even when the venues offer Federal lodging rates. Figure 3 below shows a hypothetical range of travel and lodging expenses for a March Council meeting in various metro areas. As is shown in this figure, the meeting location has a significant impact on the cost of each meeting. Looking at the March meeting alone, changing meeting location could reduce travel and lodging expenses by over \$60,000, assuming 2024 lodging and air travel rates. California tends to be the most expensive location either because of large hotel expenses (San Jose) or large expenses for airfare (Fresno and Santa Rosa). In contrast, the Seattle area has fairly high lodging rates, but relatively low airfare expenses. Areas like Spokane and Tacoma have both relatively low

lodging expense and relatively low airfare. Note that these costs are derived from research done in April and May of 2024 and are subject to change.

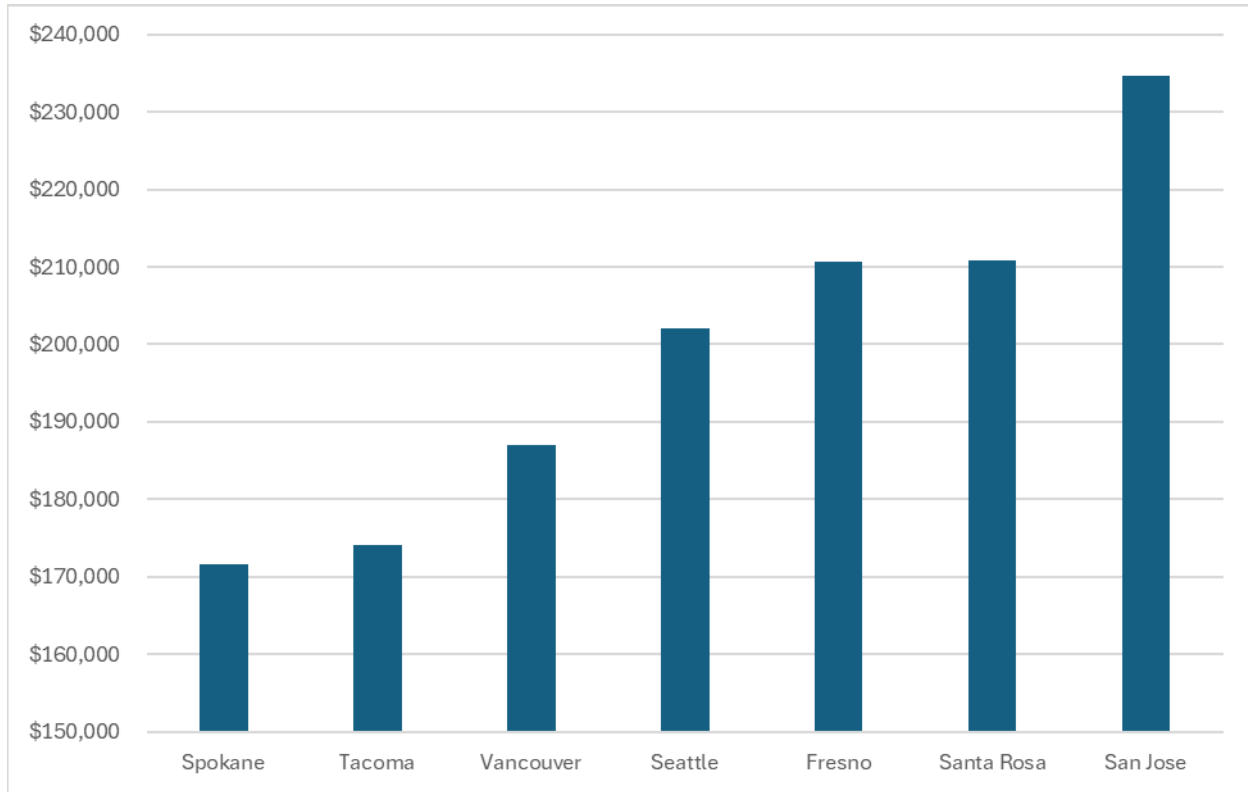


Figure 3 Travel, Lodging, and M&E Costs for a March Council Meeting by Location (note: Santa Rosa may not be able to host a March Council meeting based on current operations and meeting size and is provided for contrast)

The current size of some Council meetings makes it difficult to host those larger meetings in the cheaper locations we have used to date; this is especially the case for the relatively large March and April meetings. To effectively reduce meeting size enough to make smaller meeting venues a practical option will require several alterations to the Council process. These include: 1) size of advisory bodies attending the meeting, 2) the number of advisory body meetings held in person and concurrent with each Council meeting, 3) how long advisory bodies meet (this plays into overlap between different groups). Recommendations along these lines are provided in subsequent sections of this report.

Meeting size impacts the cost of Council meetings due to its effect on travel and per diem related expenses (which vary according to meeting attendance). While most meeting venues have some fixed costs related to food and beverage as well as internet support, variations in meeting size roughly correspond to variations in meeting expense. For example, if meeting attendance varies by ten percent, then variations in the cost of that meeting would be roughly proportional.

Meeting length also affects Council meeting travel expenses. The length of Council meetings is affected by per diem and lodging expenses. Meeting length also affects stipend payments, which are discussed below in section 3.7. Shortening a Council meeting would necessitate a reduction in the time spent on agenda topics, and there are a variety of ways to do so. However, depending on how

this is done, both Council members and advisory group members could see a reduction in the time spent at meetings, or it could mean only Council members or only advisory group members see a reduction in meeting length. Figure 5 below shows the potential travel savings if Council meetings were shortened by a day. The first scenario reflects the status quo operations (e.g., 5.5 day Council meetings, mix of remote and in person Advisory Body meetings) outlined in the 2024 provisional budget, while the second scenario assumes Council members and staff are present for one fewer day. The third scenario builds on the second by assuming that advisory groups meet for one fewer day than planned for 2024. What this figure illustrates is that reducing meeting duration for Council members and staff can have an impact on total travel expenses, it is a reduction in advisory group meeting duration that has the greatest potential to reduce travel expenses when considering the topic of meeting length.

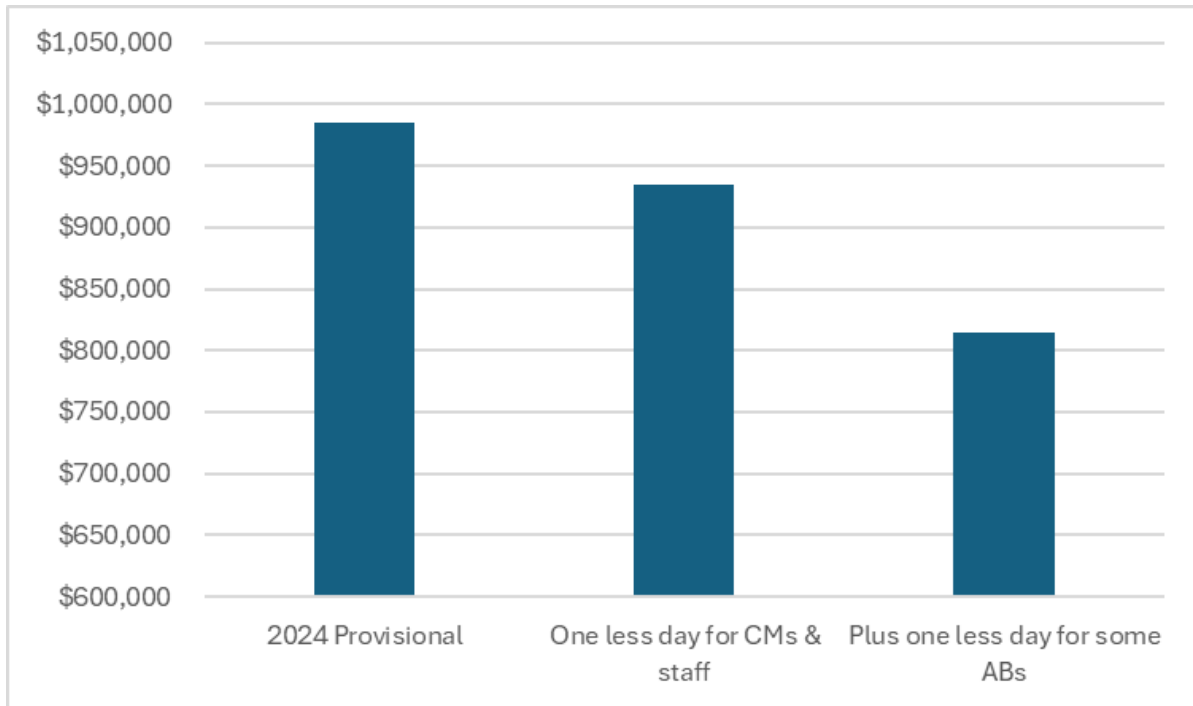


Figure 4 Range of possible Council meeting travel expenses based on meeting length.

There are also travel costs for meetings other than Council meetings. These expenses include travel costs for STAR panels, Advisory Body meetings outside of Council meetings, various hearings, international HMS and IPHC meetings, attendance at the Council Coordination Committee, and other travel besides attending meetings.

During the COTW meeting, Council members expressed interest in tightening up some of these expenditures. One focus of the discussion was travel to international HMS meetings, such as the Western Central Pacific Fisheries Commission and the Inter American Tropical Tuna Commission. While Council member attendance at some of these meetings is covered by the State Department, attendance by Council staff and contractors is covered by the Council. The cost to attend these meetings is high due to remote meeting locations (e.g., Japan, Vietnam, Panama), length of meeting, and travel time. In recent years these expenses for a contractor to work on behalf of the Council, to travel to these meetings, and have staff attend these meetings has been around \$70,000 or more.

3.5. Services and Supplies

To a large degree, expenses within services and supplies consist of the cost of running an organization like the Council. These expenses include lease costs for the PFMC office, office supplies, internet and technology related expenses, services that support the financial and travel systems of the Council, and more. Most of these expenses are relatively constant from year to year, with some mild adjustments for inflation (e.g., office lease costs increase by a small percentage each year). However, some of these expenses are tied to Council meetings and other external meetings. In particular, meeting venues typically charge the Council for internet and supplies needed to support the meeting (audio visual equipment, etc.). These expenses are usually stable from one meeting to the next, with a typical expense being \$40,000 to \$50,000, but outliers to exist. In particular, meetings in large metro areas tend to charge high service fees, while meetings in places that are less frequented tend to charge far less. For comparison, service and supplies expenses for a single Council meeting in Seattle or San Jose can be as high as \$70,000, while those same expenses in Spokane or Boise will be around \$30,000.

3.6. State Liaison Contracts

State liaison contracts are used to support the participation of state agency and PSMFC staff and Council members in the Council process. These amounts have varied over time and the rationale for them has also varied over time. A discussion of these contracts occurred at the January COTW meeting. One takeaway from these discussions was that liaison contracts are used to partially support the Council's current scope of work, with states contributing funds in addition to these liaison contract funds. If the Council were to consider changes to the scope and/or complexity of activities, the states and Council should consider whether changes to this line item are warranted. Whether additional sources of revenue could be found in lieu of state liaison contracts is not clear.

3.7. Other Contractual

Other Contractual expenses - economic analysis for salmon season setting, economic analysis for groundfish specifications, meeting facilitators, and the Council's newsletter - can vary, but are largely a function of the scope of Council activities. Since these recommendations focus on changes to Council operations and process, this expense category is not explored further here.

3.8. Council Member Compensation and Advisory Body Stipends

Council member compensation is a function of Council member meeting frequency and length. This applies to Council meetings, committee meetings, hearings, and other meetings (CCC, Council member training, and more). Advisory Panel stipends are determined as part of the base funding Councils receive from NOAA. Advisory Panel stipends are best thought of as a fixed number that is divided by the total number of people attending each meeting (remote and in person), while Council member compensation can vary based on frequency and duration of meetings³. The figure below shows how these expenses may vary according to a shortening of Council meetings. This figure

³ The Council receives a line-item budget number from NMFS which specifies total funding amounts for Advisory Panel members. All Advisory Panel members share in this line item that is distributed based on number of Advisory Panel members and their number of meeting days. Council members are paid according to the Federal General Schedule on a per day basis.

shows that while shortening Council meetings would reduce expenses related to stipends, a desire for substantial reductions in this expense category would need to be based upon more than the length of Council meetings (e.g. committee related expenses).

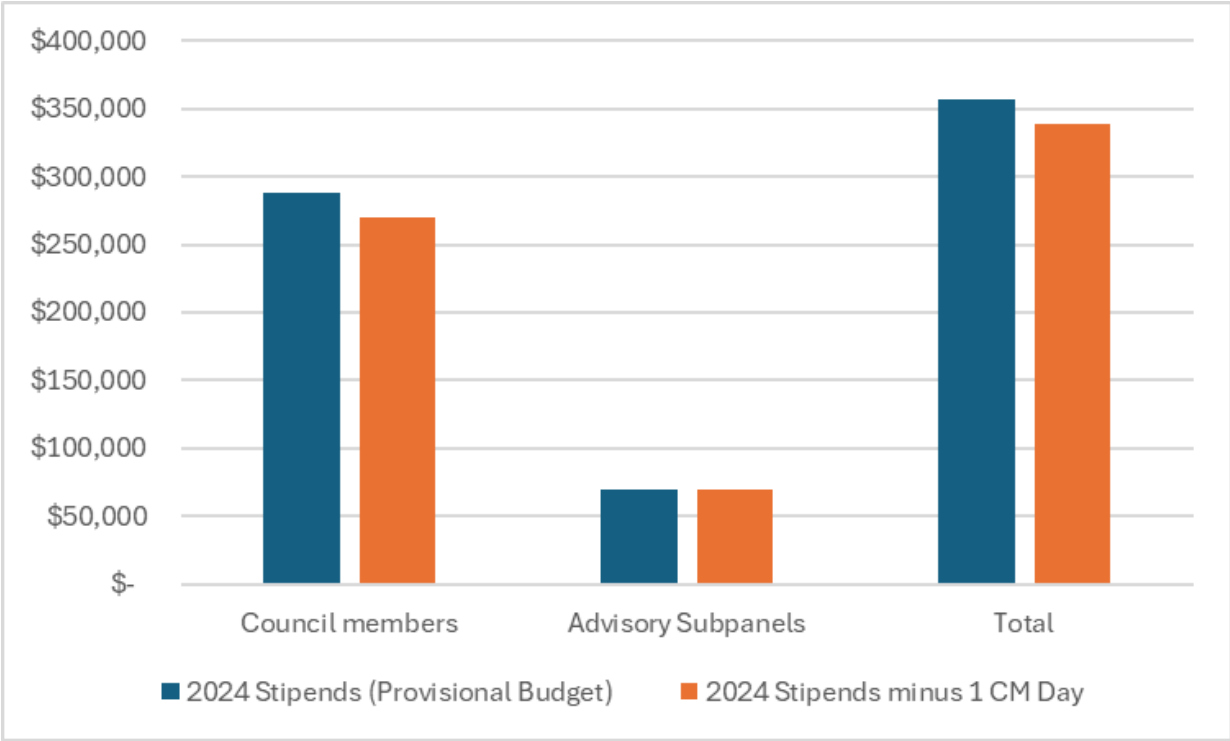


Figure 5 Total 2024 Stipend Amounts (Provisional Budget versus Provisional Budget minus 1 Council meeting day)

4. Recommendations

There are a variety of ways to reduce Council expenses. Ultimately, the way in which Council operations and scope of activities are changed to achieve any such reductions is a decision for the Council. To help facilitate this decision-making process a menu of options is provided here, with an explanation of how each of these options could be implemented. Many of these options will require some difficult decisions about the nature of the Council as an organization, the work it undertakes, and how that work gets done. This section is followed by Section 5, which is a proposed road map for implementing changes to Council operations.

4.1. Summary of recommendations intended to minimize impacts to Council operations and priorities

Based on an examination of Council process, budget, and outcomes from the COTW meeting, focusing cost reduction efforts on travel and meeting expenses appears to be the most appropriate place to look first in order to reduce the Council’s budget. Changes needed to reduce travel and meeting related expenses would require some changes to the way in which the Council operates, but compared to other potential cost-reduction measures, these measures would minimize disruption to the Council process and would minimize the impact to ongoing and future Council priorities. Table 1 summarizes a series of approaches which could be used to reduce the Council’s travel and meeting expenses. Some of these approaches are dependent upon one another.

Table 1 Menu of recommendations for reducing meeting and travel expenses.

No.	Description	Summary Explanation
A.1	Reduce Council meeting size by limiting number of advisory group members and staggering different FMPs to avoid attendance overlap	Meeting size directly affects the Council budget through the number of attendees that are paid to attend by the Council. In addition to limiting the number of participants, staggering FMPs to reduce overlap will also reduce size. This would require reducing the number of times certain FMPs are on the Council's agenda in favor of relatively more concentration on those FMPs when they are on the Council's agenda.
A.2	Host Council meetings outside of large and expensive metro areas (relies on implementation of recommendation #A.1)	Meeting location affects the Council budget because government per diem rates and travel costs vary by location. If meeting sizes are reduced, the Council can host meetings in somewhat smaller hotels outside of large and expensive metro areas. It appears unlikely that the April Council meeting size can be reduced substantially. In the event this meeting cannot be reduced, then this may necessitate that the Council memorialize a schedule where the March meeting occurs in Northern California and the April meeting in the Pacific Northwest rather than alternating between the two regions every other year.
A.3.1	Reduce Council meeting duration: Roles and responsibilities	The length of meetings affects Council costs through total expenditure on per diem and Council member compensation. Council meeting length can be affected through the roles and responsibilities assigned to different groups within the Council process. <ul style="list-style-type: none"> • One approach that could reduce Council meeting duration is to be more explicit regarding which agenda topics are assigned to which Advisory Groups. For example, FMP Advisory Subpanels and Management/Technical Teams could be assigned topics directly relevant to their FMP while deferring on other matters. • The Council could also establish a standing Cross-FMP advisory body that is comprised of membership from various FMP Advisory Groups. This may look similar to the MPC in practice. • The Council could also defer more to the Council Coordination Committee on matters that affect multiple Councils. This would require judgment on the part of the Council leadership team regarding which matters should be deferred entirely to the CCC, versus which items may warrant comment by both the CCC and the PFMC individually.
A.3.2	Reduce Council meeting duration: Operational practice	Another way in which the length of Council meetings can be influenced is through the Council's operational practices.

No.	Description	Summary Explanation
		<ul style="list-style-type: none"> • Public comment times could be set at four or five minutes for both individuals and groups alike. The Chair may desire exceptions to such a rule from time to time. Council member questions of those commenters could be constrained to those related to the topic of the comment and limited in quantity. Advisory Group statements could follow a format that reduces the amount of time spent reading reports. Such a format would cover 1) recommendations, 2) why the Council should be interested, and 3) basic rationale, all of which is covered in two pages or less. Additional detail could be appended to this report format for additional questions or for supporting rationale. • Robert’s Rules of Order could be implemented more rigorously during Council debate and questioning. From time to time Council member speeches exceed in time what is generally acknowledged as accepted practice. Similarly, from time to time statements, arguments, and rationale are introduced by members during a time period devoted to questions. • Advisory groups would not be expected to remain on the Council floor during Council discussion of agenda items which they have reported on. Aside from the Advisory Group chair, or other individual necessary for engaging with the Council, other members would be expected to continue meeting and developing reports on other agenda topics. If Advisory Body meetings are shortened, it is possible that the groups would not be in session when their topics are discussed. Creative scheduling of the Council agenda could provide the opportunity for individuals to travel home and attend remotely.
A.3.3	Reduce Council meeting duration: Administrative Matters	<p>A third way in which Council meeting duration can be influenced is through the treatment of Administrative Matters.</p> <ul style="list-style-type: none"> • Workload planning discussions could be taken up twice per year in a way designed to sequence with annual budget decisions. In between these twice-yearly workload planning discussions, deference would be given to staff to organize, coordinate, and schedule agenda topics, and staff would confirm with Council leadership when necessary. • EFPs could be taken up fewer times throughout the year. Renewals could go directly to NMFS, while new EFPs would be considered once per year. In this latter case, Council feedback would go to both the EFP applicant and to NMFS for their consideration.

No.	Description	Summary Explanation
		<ul style="list-style-type: none"> Items that are generally informational in nature (e.g., many items contained in NMFS or state agency reports) could be moved to “Informational Reports” and kept off the Council floor. Those agency reports that are contained in the Advanced BB would not be read.
A.4	Reduce Council participation in international forums	Council members, staff, and/or contractors have participated in several international forums, including the WCPFC, IATTC, IPHC, and JMC. NOAA or the Department of State may pay for attendance by a Council member, for example if they are a designated Commissioner. In some cases, the Council has paid for staff and/or contractors in addition to attendees supported by State Department and NOAA. Council funded participation in these forums could be eliminated but the Council would still have representation. Outcomes of these meetings would still be provided to the Council.
A.5	Implement a more rigorous process for considering agenda topics, workshops, and new committees	At times the Council has developed a new committee, new working groups, specified workshops, and requested new initiatives without much consideration given to budget and broader workload considerations. In order to adhere to the more limited budget and personnel environment that faces the Council, a more rigorous process for specifying new activities is likely to be necessary. Such a process would likely be outlined as a new process within the Council’s COPS.

4.1.1. Detailed description of A.1

The largest effect of this option stems from the timing of advisory group meetings during Council meetings, and organizing the timing of those meetings in order to reduce overlap. In particular, based on current scope and complexity of various FMPs, holding no more than two Council meetings with CPS agenda items and three with HMS items per year should be possible. This would allow these groups to meet in an offsetting fashion, thus reducing the size of each Council meeting and number of participants that travel to each meeting. This would also necessitate that Council meetings become relatively more focused on HMS and CPS topics (e.g., as CPS matters are dropped from one meeting, available agenda space may be taken up by HMS matters).

Another recommendation as part of this option is to keep groundfish matters off of the April Council meeting during the years that fall outside of the Groundfish harvest specifications cycle (June of odd years to June of even years). If agenda items are scheduled that are appropriate for GMT and GAP comment (e.g., Ecosystem Matters, Pacific Halibut, Administrative), remote meetings will be held to generate statements for Council consideration. Council and NMFS staff believe that adopting such an approach would allow for more time dedicated to analysis, leading to more streamlined final action and implementation during the June (or other) meeting. If this is not possible because unforeseen or special groundfish issues arise, then a subgroup of GMT and GAP members may elect

to meet and cover these special matters in lieu of the full group. For example, when gear switching was scheduled on the Council's April 2023 agenda a subgroup of GAP members may have been sufficient to advise the Council on this topic.

The last recommendation here is to limit or reduce the size of certain advisory groups. If this recommendation is pursued by the Council, it would be timely to take this up during the Council's consideration of advisory body membership occurring in 2024. This may necessitate some consideration of workload. For example, the SSC has made clear that a reduction in membership would not allow the SSC to meet current workload demands. However, several advisory groups have expanded in size in recent years, while others have struggled to fill membership vacancies. These characteristics may indicate that downsizing some advisory groups could be done with minimal impact on the output of those groups.

If the Council elects to pick up on this option, it is recommended that Council staff work with specific advisory groups and partner agencies to outline the details of how these changes will be made. In particular, if the Council would like to reduce the number of Council meetings at which certain FMP groups meet, then this may take some adjustments to Council COPs and work products provided by the Science Centers.

4.1.2. Detailed description of A.2

As indicated in earlier sections of this document, the location of Council meetings can impact Council expenses. The most expensive locations where the Council meets include the Bay Area, Seattle, and portions of Southern California. Being more selective about when meetings are hosted in these areas would afford some budget savings.

Under this option, meeting in the most expensive west coast locations would occur only when necessary, and this is likely to mean that these locations are visited by the Council during the large March and April meetings. Due to the relative size of the April meeting, this option recommends that April occur in the Pacific Northwest, and March occurs in Northern California (assuming the Council desires a meeting rotation that continues to meet in these two locations during the March and April salmon meetings).

4.1.3. Detailed description of A.3

Council meeting duration also affects Council expenses due to lodging, meals, and stipends. While shortening the length of Council meetings will reduce meeting expenses, any substantial expense reduction sought through this approach would necessitate an adjacent reduction in the length of time that advisory groups meet. In order to reduce meeting time, several approaches will need to be implemented in concert with one another. The following sub-sections outline these approaches.

4.1.3.1. Description of A.3.1

The first approach needed in order to reduce the length of Council meetings is to more clearly specify the roles and responsibilities of different groups within the Council process, in particular the different roles and responsibilities of various advisory groups within the Council process. The Pacific Council has a long history of welcoming input by its advisory groups and frequently many advisory groups feel a sense of obligation to comment on an agenda topic if it is on the Council's agenda. At times this

has led to scenarios where multiple advisory groups comment on a single agenda topic. While these comments are valuable, oftentimes such comments tend to focus on similar points.

The experience of the Maring Planning Committee has shown that an advisory group comprised of a cross-section of members from other advisory groups can be highly effective and informative for the Council. This experience shows us that the Council process could be made more time efficient by creating a cross-FMP advisory group that would be charged with providing input to the Council on topics that straddle multiple FMPs, and that other advisory groups would no longer be expected to develop comments on those same cross-FMP items.

This new group would be referred to as the Ad-Hoc Cross-FMP Advisory Panel (or other name as may be appropriate) and would consist of up to one member from each of the Council's Advisory Subpanels, Management/Technical Teams, and the SSC. Membership on this panel would be deferred to each of the advisory groups that provide members.

4.1.3.2. Description of A.3.2

The second approach that could be taken for reducing Council meeting length is to implement multiple strategies that are all intended to reduce time taken during Council meeting sessions. The first of these strategies is to reduce public comment times to four or five minutes for both individuals and groups, with deference given to the Chair if additional time is warranted. This would logically reduce the amount of time taken for public comment, primarily from those identifying as "groups". One bit of rationale for this approach is the perception that what constitutes a "group" for purposes of public comment has evolved over time, with many more commenters self-identifying as groups in recent years compared to years past. Council member questions could be constrained to those related to the topic of the comment and limited in quantity. A second strategy is to implement a format for advisory group reports, along with the clarification that reports do not need to be read into the record. A review of time spent on different items during Council meetings indicates that advisory group reports constitute the largest portion of Council meeting time. To reduce the amount of time the Council and advisory groups spent on reports, such a format would consist of two pages which summarize: 1) recommendations, 2) why the Council should be interested in these recommendations, and 3) basic rationale for the recommendations. Additional pages could be appended to this report if necessary in order to provide additional rationale. Several advisory groups have already been experimenting with this type of format with some success.

The third strategy in this sub-section concerns the enforcement of Robert's Rules of Order during management of items on the Council floor. From time to time members will engage in speeches that exceed generally accepted time limits. Similarly, from time to time members will use Q&A sessions with advisors or members of the public to make points that should be made during Council discussion. Closer adherence to Robert's Rules would reduce the time spent on some agenda topics.

The fourth strategy in this sub-section concerns the presence of advisory group members on the Council floor during Council discussion, which tends to reduce the time advisory groups spend working on other matters and can thus extend the amount of time they spend at Council meetings. In recent years many advisory groups have remained present in the Council chambers during discussion of agenda topics which they have worked on. Historically this has not been the case. This strategy would direct those advisory groups to continue their work on reports rather than attending

Council floor discussions, with the exception of presence by members of the advisory group necessary for delivering a report and responding to Council questions. If Advisory Body meetings are shortened, it is possible that the groups would not be in session when their topics are discussed. Creative scheduling of the Council agenda could provide the opportunity for individuals to travel home and attend remotely.

4.1.3.3. Description of A.3.3

The third approach concerns the handling of administrative matters. Workload planning has often been the topic of lengthy discussions on the Council floor. This agenda topic could be handled differently and done in a way that is sequenced with the Council's twice-yearly budget decisions. This would involve a specification by the Council of agenda topics that it desires be taken up over the following months, and then deference given to staff regarding the scheduling of those items. When there are potential conflicts or limitations, staff would work with Council leadership to identify the best possible agenda schedule.

The second portion of this approach concerns the management of EFPs. Traditionally EFPs have been taken up at multiple meetings throughout the year. While there may continue to be cases when a set of EFPs should be the topic of more than one Council meeting, the Council could revise the COPs to enable the development of comments on EFPs in one meeting, followed by the transmittal of any comments or suggestions to the National Marine Fisheries Service for their consideration prior to any approval. In addition, the Council could modify the COPs so that EFP renewals could bypass Council consideration and go directly to NMFS.

Finally, several matters brought to the Council floor could be reclassified as Informational Reports. These items tend to be brought forward by Federal and state agencies. When classified under a substantive agenda item, these reports often lead to summarization, discussion and may even lead to cases of being "read into the record". Many of these reports could be moved to Informational Reports to ensure there is continued transparency and information provided to Council members.

4.1.4. Detailed Description of A.4

The Council's interests extend beyond the west coast EEZ due to the straddling and transboundary nature of several different stocks. International forums exist which encompass these interests for species that include salmon, halibut, and highly migratory stocks. Other less formal/regulatory forums exist for other FMPs.

Each of these forums has participation by individuals that are part of the Council process, and they participate either as a formal representative of the Council, or as representatives from other closely aligned agencies or commissions. In recent years Council staff and contractors have also participated in international forums, such as the WCPFC and IATTC, among others.

This option would eliminate Council expenses related to these international forums, and this would largely come in the form of eliminating staff and contractor participation in international HMS forums. It would also eliminate Council funded participation to the annual IPHC meeting. The Council would continue to have representation funded by the State Department, NOAA, and other agencies/commissions that send a delegation, but the support provided by staff and contractors would be removed. Outcomes of these meetings would still be provided to the Council.

4.1.5. Detailed description of A.5

As summarized in the table above, some process rigor will likely be necessary to ensure that resources are managed more tightly than before. Such a process should more closely sequence with any consideration of activities with the Council’s budget decisions (made in June and November). This would allow for a more comprehensive consideration of A) what any new activities entail, B) the resources needed to support those activities, and C) how these activities align with other activities being undertaken by the Council and their resource needs. Such a process could mean that any requests for new activities (be they workshops, working groups, new initiatives) are brought forward by their sponsor in April and September for initial consideration by the Council, subsequent consideration by the budget committee, and a final comprehensive consideration by the Council when budget decisions are made.

4.2. Summary of recommendations to address further necessary budget reductions

It is possible Council funding situation will continue to deteriorate in the future and that this will result in a need for further efforts to align Council income with activities. When this need arises depends in part on how large of a “delayed spending account” the Council wishes to hold in order to manage financial risks and uncertainties. This discussion has arisen within the Council’s Budget Committee several times over the last two years. Although a clear recommendation has not arisen from the Budget Committee, the BC has discussed amounts of A) \$1 million, or B) an amount equal to 4 to 6 months of expenditures (currently on the order of \$2 million), which aligns with organizational best practices. These funds are based on the need to: cover operating expenses, address revenue fluctuations, be used for strategic investments in capital or initiatives, and for risk management.

Council expenses during the first half of the year are usually less than in the second half. This is because more of the Council’s obligations are due later in the year. Based on current operations, roughly \$2 million would be needed to cover the first 6 months of the year, while roughly \$1 million would enable the Council to get through the March Council meeting. Based on current expenditure and income expectations, the Council’s delayed spending account is expected to decline to a level somewhere between \$2 million and \$1 million by the end of 2024. Inflation Reduction Act funds may influence this outcome, but at the time of drafting this report, there are many unknowns associated with IRA funding.

Table 2 reflects additional actions the Council could take to further reduce the Council’s budget. It is anticipated that these actions would be more disruptive to the Council process than the previous options. These options are provided here for future reference in the event they are needed, but are not described in detail since they are not being suggested at this time.

Table 2. Actions to address unanticipated budget shortfalls.

No.	Description	Summary Explanation
B.1	Move one or more Council meetings to Council member only in person format, with advisory groups meeting remotely	This option would continue to allow Council members to meet in person, but would move all advisory group meetings to a remote format (somewhat similar to the March 2021 Council meeting). This could be done for one or more meetings.

B.2	Move September meeting to remote format	Historically the September Council meeting has tended to have a limited number of controversial and/or complex agenda items. A remote format can be productive if the agenda topics remain relatively simple and with limited controversy
B.3	Eliminate Council initiatives according to prioritization tool and process	Reducing a certain number of Council agenda items would enable shorter meetings and would – at some point- require less effort by advisory groups, Council staff, and state agency staff. This would lead to reductions in both Council time and expenses related to personnel (staff, state liaison contracts, advisory group travel and membership).

5. Road map for implementation of recommendations

This section proposes milestones and steps that the Council could take to implement the recommendations above. Most recommendations are included in this road map. Those recommendations not included in this road map still have value, but could be implemented as more of a stand alone change, rather than being bundled with other options. The timeline associated with these recommendations makes certain assumptions regarding the Council’s near term financial outlook—most significantly is that the Council receives IRA funding to continue working on ecosystem and other matters. Without IRA funding, some activities may need to be paused or the timeline below may need to be accelerated.

- **January 2025 (Estimated Savings of \$70,000):** The Council has discontinued staff and contractor travel/work on international HMS matters and largely defers international HMS matters to formal Council designees, NMFS representatives, and the State Department. To achieve this end the Council has implemented the following measures:
 - *Discontinued staff participation in WCPFC, ISC, and ICAAT meetings.* Staff time previously devoted to these meetings is redirected to other Council priorities. Travel plans related to these meetings are cancelled.
 - *Discontinued contractor work on international HMS matters.* Bluefin tuna, having been rebuilt, is no longer in need of extra attention by the Council.
- **September 2025 (Estimated Savings of \$100,000 to \$150,000):** The Council has fully reduced Council meeting length by at least one half of a day, including parallel reductions in the length of time Advisory Groups spend at meetings. To achieve this end the Council has implemented the following measures:
 - *More clearly delineated roles and responsibilities across advisory groups (begin implementation in late 2024).* FMP groups are asked to comment on matters related to their FMP and may comment on a limited number of other matters such as workload planning, or items specifically requested by the Council or the Chair.
 - *Developed a standing Cross-FMP advisory group (identified and populated by early 2025).* A cross-FMP advisory group would have membership of one person from each advisory subpanel, management/technical team, and the SSC to advise the Council on topics that straddle multiple FMPs. This group would meet outside of Council

- meetings and develop comments/reports for the Council prior to the start of a Council meeting.
- *Implemented a revised public comment time (implemented late 2024).* All public commenters, regardless of whether individuals or groups, would be allowed four or five minutes of comment time.
 - *Implemented a streamlined advisory group report format (implementation and refinement ongoing from late 2024 through middle 2025).* Advisory groups would be asked to limit the amount of time spent “reading into the record” by following a report format. This format would highlight recommendations, outline why the issue is important for the Council, and provide basic rationale. Additional pages of supplemental supporting material could be appended but would not be read. Exceptions to this report format would include March and April salmon tables, groundfish specifications reports, and other highly complex and impactful reports that are produced in relatively short time.
 - *Excused Advisory Subpanels and Management/Technical Teams from Council floor discussions (implemented and refined from early to middle 2025).* Except for the AS/MT Chair or other necessary members, Advisory Groups would not be expected on the Council floor during Council discussion. Instead, these groups would be expected to continue developing recommendations for the Council on other agenda items, or to depart the Council for home.
- March 2026 (Estimated savings \$75,000 to \$100,000): The Council has reduced the size of Council meetings and shifted meetings to cheaper locations. To achieve this end the Council has implemented the following measures:
 - *Implemented a HMS meeting schedule of 3 Council meetings per year, a CPS meeting schedule of 2 Council meetings per year, and a groundfish meeting schedule of 4 Council meetings per year in off-spex years – with option for subcommittees to meet and/or the GAP/GMT to meet remotely as necessary for some Council meetings. Coordination regarding this revised schedule would be done with NMFS and advisory groups throughout late 2024 and middle of 2025.* This schedule is designed in an offsetting manner to reduce the number of advisory groups at any one Council meeting, thereby reducing meeting size.
 - *Reduced the size of some advisory bodies as part of the 2024 advisory body nomination process.* Some advisory bodies have grown in recent years, while other advisory bodies have had long running vacancies which have been difficult to fill. The Council would reduce the size of some of these groups, considering their workload demands and the size necessary to meet that workload.
 - September 2026 (Estimated savings \$50,000 to \$75,000): The Council has reduced the length of Council meetings by one full day for 3 out of 5 meetings. To achieve this end the Council has implemented the following measures:
 - *Moved workload planning discussions to twice yearly:* workload planning would be taken up twice per year, at a time intended to inform the Council’s budget process. In between these twice yearly discussions, Council staff would work with Council leadership to schedule matters appropriately.

- *EFPs typically taken up once during a year:* Aside from special cases that may warrant more than one meeting, most EFPs are considered once throughout the course of year, with the Council transmitting comments and suggestions to NMFS for their consideration at a subsequent meeting.
- *Agency and commission reports taken as Informational Reports:* Many reports currently given by federal agencies, state agencies, and commissions are provided as Informational Reports and not taken up on the Council floor. Alternatively, agency and commission reports are provided as advanced material and are not read on the Council floor, but are subject to questioning by Council members.
- September 2025 (Estimated savings unknown): The Council has adopted a new process as part of the Council Operating Procedures for considering new initiatives or efforts on a pre-specified schedule. This process is aligned with the Council's budget setting process.

6. Report Summary and Conclusions

The recommendations in this report are intended to convey a series of the steps that the Council can take which should have a minimal effect on the ability of the Council to make sound decisions, while at the same time bringing the Council much closer to long-term financial sustainability than where it is today. Given the Council's current financial condition, the Council will need to begin making decisions to reduce expenditures and workload demands soon. This will require changes to some long-standing Council practices, some of which may be viewed as controversial and may take some time for Council participants to become accustomed to.

The Executive Director seeks Council direction on the options outlined in this paper. Implementing these options will also necessitate further input from Council staff, NMFS staff, and some of the Council's Advisory Panels, Committees, and Management Teams.