

Executive Director's Report to the Budget Committee

November 2025

What we'll talk about

- Update on 2025 finances and forecast
- Relevant background and context regarding resources available to the Council, how Council finances play a part in the Council partnership
- Assumptions and rationale supporting the 2026 staff provisional budget
- Overview of 2026 provisional budget
- Key questions about this budget for the committee
- Risk management considerations

2025 Update

- Due to a challenging and uncertain fiscal environment, our 2025 budget was adopted in September rather than June
 - Limited changes since then
- Adopted budget was smaller than the provisional budget
 - Hybrid September Council meeting
 - Delays in backfilling vacant staff positions
- Year end expenses should be very close to adopted budget
- Delayed spending account/NCE will be largely unaffected

No Cost Extension	
Funds remaining at end of CY 2024	\$ 2,210,192
Planned Expenditures 2025	(2,210,192)
Expected funds remaining at end of CY 2025	\$ -
2024-2027 Special Funding Grant	
Funds remaining at end of CY 2024	\$ 2,315,303
Planned expenditures through December 31,2025	\$ 964,776
Funds obligated to contracts through 2026	\$ 190,000
Unobligated Special Project funds expected at end of CY 2025	\$ <u>1,160,527</u>
2025-2029 Grant Funds	
Funds Received through September, 2025	\$ 4,932,337
Planned expenditures through December 31	\$ <u>2,692,002</u>
Funds remaining at end of CY 2025	<u>\$ 2,240,335</u>

Category	Combined 2025 Operational Budget	Expenditures Though 9/30/25	Anticipated Expenditures Remaining	Total Anticipated Expenditures for CY 2025	Projected Budget Surplus (or Deficit)	% of Category
Staff Wages & Benefits	2,546,831	\$ 1,862,211	\$ 715,628	\$ 2,577,839	\$ (31,008)	101%
Travel	1,051,375	\$ 538,102	\$ 496,241	\$ 1,034,343	\$ 17,032	98%
Supplies & Services	710,118	\$ 462,308	\$ 215,969	\$ 678,277	\$ 31,841	96%
Contractual						
Council Member Compensation	263,538	\$ 115,797	\$ 123,783	\$ 239,580	\$ 23,958	91%
Advisory Body Stipends	74,559		\$ 74,559	\$ 74,559	\$ -	100%
Liaison (State, PSMFC)	719,235	\$ 42,262	\$ 676,773	\$ 719,035	\$ 200	100%
Other (Salmon SAFE, GF Spex, etc.)	561,079	\$ 306,232	\$ 237,105	\$ 543,337	\$ 17,741	97%
Total 2025	5,926,734	\$ 3,326,912	\$ 2,540,058	\$ 5,866,970	\$ 59,764	99%

PFMC finances are one part of total resources that contribute to the Council process

- PFMC resources
- NMFS and other Federal resources
- State resources
- Tribal resources
- Stakeholders

One key question as we consider the PFMC budget:

Are our collective resources well aligned with the needs of west coast federal fishery management?

PFMC needs for supporting resources

Demands

- Groundfish intensive process throughout the year
- Salmon intensive process for select parts of the year
- HMS and CPS matters have become somewhat episodic
 - Lack of much CPS fishing activity combined with deference to CA (squid)
 - Large portions of HMS activity decided in international forums

Application of resources and capacity

- Substantial resources applied to groundfish
- Resources applied to salmon mgmt in the PFMC arena have declined in recent years
- HMS and CPS are moderately resourced

Proposed Provisional Budget is Based on:

- Largely a continuation of current resource allocation
- Several key assumptions
 - Groundfish will continue to be largest focus of the Council, followed by salmon, then HMS and CPS, then Ecosystem (other agencies/partners may have different resource allocation priorities)
 - 5 Council meetings per year (4 days in June and Sept, 5 days otherwise)
 - Continued implementation of council efficiencies
 - Continuation of staffing, contracting, stipends
 - Some key questions regarding contract needs

Preliminary 2026 Provisional Budget

Category	Proposed 2025 Operational Budget	Proposed 2026 Budget from Grant Funds	Proposed 2026 Budget from Spec.Proj. Funds	Proposed Provisional Budget	Increase (Decrease) from 2025 operational
Staff Wages & Benefits	2,546,831	2,076,581	554,748	2,631,328.69	84,498
Travel	1,051,375	934,802	226,978	1,161,779.83	110,405
Supplies & Services	710,118	622,875	96,965	719,840.04	9,722
Contractual				-	-
Council Member Compensation	263,538	182,047	58,738	240,785.16	(22,753)
Advisory Body Stipends	74,559	69,499	5,060	74,559.00	-
Liaison (State, PSMFC)	719,235	719,235	-	719,235.00	-
Other (Salmon SAFE, GF Spex, etc.)	561,079	221,350	282,673	504,023.00	(57,056)
Total	5,926,734	4,826,389	1,225,161	6,051,550.72	124,817

Key Differences Between 2025 and 2026

- In-person September Council meeting in 2026
 - September 2025 was a hybrid style meeting due to budget uncertainties
- 15.6 PFMC staff positions in 2026
 - Direction from the September meeting
- Changes in contracts (due to special projects, other needs)

Questions regarding contracts

- Need for contractor support for trawl rationalization follow-on actions
 - We plan to hire a socioeconomic analyst to help with these actions, but that person may need some support as they come up to speed
- Contractor support for stock complex agenda item
 - Given competing demands at the staff level, plus limited capacity, we envision some contractor support. However, this could also be tackled by GMT or others

Fiscal risks to consider

- We will end the year in decent fiscal shape
 - delayed spending account and “special project” funding are in hand
- We have more uncertainty about our income levels in 2026 and beyond compared to prior years
- Under the worst case scenario, we have fiscal resources for 5 to 6 months (with conservative management of those resources)
 - This is meant to be an illustrative book-end. We currently have no reason to think our funding will drop to zero.
 - This suggests significant fiscal action is not necessary at this point

Tasks for the Budget Committee

- Elect BC vice chair
- Recommend a CY 2026 Provisional budget
- Provide guidance on future meetings and additional other matters