

INTERNATIONAL PACIFIC



HALIBUT COMMISSION

Budget supporting information (for noting)

Agenda Item 3

Paper: IPHC-2023-SS013-04



Purpose

- To provide the Commission with supporting information for the IPHC budget decision making process at SS013.



Background

- Subsequent to the 99th Session of the IPHC Annual Meeting (AM099), the Contracting Parties (CP) agreed to provide the IPHC Secretariat with a set of clarifying questions and information requests by mid-March. The following were subsequently provided as a request list from CP's:



Background

- 1) Income sources, timing and how it is applied to expenses
- 2) Specific line items that have experienced significant change over the last 5 years
- 3) Headquarters and other facilities rentals
- 4) Review of staff and the creation of the Fisheries Policy Branch



1) Income sources, timing and how it is applied to expenses:

- Sources of income, when income is received, and what expenses they cover and when;
- Details around external funding (e.g. contracts, projects funded, and how it fits with IPHC's core mandate), the implications of past external funding shortfalls, and any mitigation measures being considered in drafting future contracts/agreements;
- Number of staff and amount of staff time required to develop and administer the contracts/ agreements for activities that fall outside IPHC's core mandate.



- Sources of income, when income is received, and what expenses they cover and when;

Income sources vary from year-to-year. For FY2024 we currently estimate the following income by source:

FY2024: Proposed for SS013 Account Number	10 - General FY2024	20 - Research FY2024	30 - Statistics FY2024	TOTAL (10,20,30) FY2024	40 - FISS FY2024	TOTAL (All Funds) FY2024
Income						
40000 Contracting Party Contributions						
40000.01 - Canada	\$ -	\$ -	\$ -	\$ 1,032,970.38	\$ -	\$ 1,032,970.38
40000.02 - United States of America	\$ -	\$ -	\$ -	\$ 4,705,753.98	\$ -	\$ 4,705,753.98
40000 - Contracting Party Contributions	\$ 3,614,200.57	\$ 1,172,586.10	\$ 951,937.69	\$ 5,738,724.36	\$ -	\$ 5,738,724.36
40055 - Headquarters (Lease and Maintenance)	\$ 513,712.50	\$ -	\$ -	\$ 513,712.50	\$ -	\$ 513,712.50
40055 - Headquarters (Lease & Maintenance)	\$ 513,712.50	\$ -	\$ -	\$ 513,712.50	\$ -	\$ 513,712.50
40060 Other Income						
40060.01 - GAAP Conversion - Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40060.05 - Recoupment leave expenses	\$ 82,800.00	\$ 23,494.50	\$ 56,304.00	\$ 162,598.50	\$ 7,762.50	\$ 170,361.00
40060.06 - Rent - Dutch Harbor	\$ -	\$ -	\$ 5,600.00	\$ 5,600.00	\$ -	\$ 5,600.00
40060 - Other Income	\$ 82,800.00	\$ 23,494.50	\$ 61,904.00	\$ 168,198.50	\$ 7,762.50	\$ 175,961.00
40100 Grants, Contracts & Agreements						
40100.01 - 802 - Directed Commercial Catch Sampling of Pacific halibut in Alaska	\$ -	\$ -	\$ 953,132.00	\$ 953,132.00	\$ -	\$ 953,132.00
40100.02 - MoU WDFW Rockfish sampling	\$ -	\$ -	\$ -	\$ -	\$ 36,003.00	\$ 36,003.00
40100 - Grants, Contracts & Agreements	\$ -	\$ -	\$ 953,132.00	\$ 953,132.00	\$ 36,003.00	\$ 989,135.00
40200 Interest Income						
40200.01 - Bank Interest	\$ 772.50	\$ -	\$ -	\$ 772.50	\$ -	\$ 772.50
Total 40200 - Interest Income	\$ 772.50	\$ -	\$ -	\$ 772.50	\$ -	\$ 772.50
40350 Fish Sales						
40350.01 - Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ 4,224,000.00	\$ 4,224,000.00
40350.02 - Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ 111,000.00	\$ 111,000.00
40350 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ 4,335,000.00	\$ 4,335,000.00
Total Income	\$ 4,211,485.57	\$ 1,196,080.60	\$ 1,966,973.69	\$ 7,374,539.86	\$ 4,378,765.50	\$ 11,753,305.36

Note: All of the above are yet to be approved with the exception of the budget line 40100.02 from the WDFW rockfish sampling activities (US\$36,003), and 40060.60 Rent – Dutch harbor.

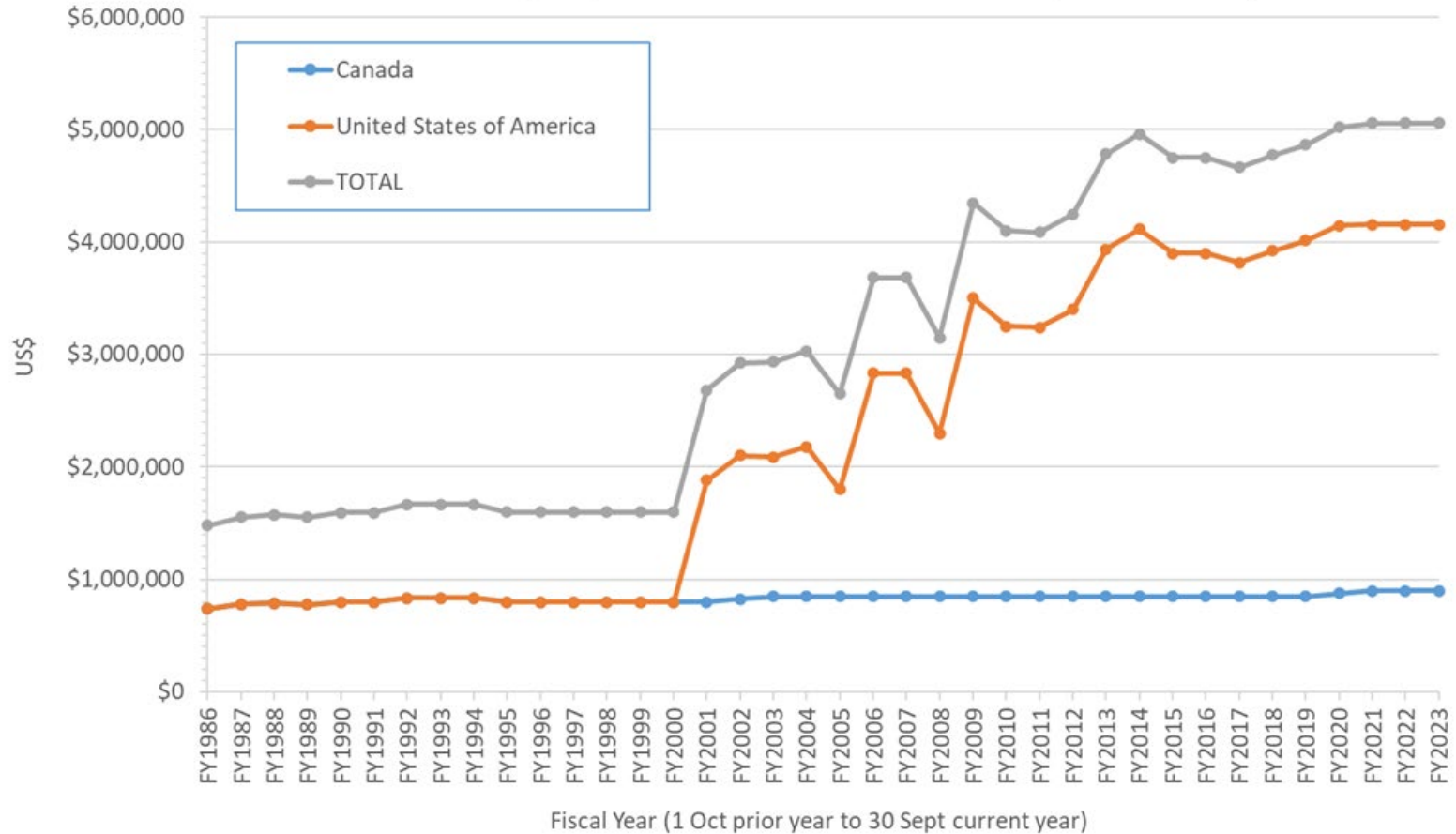


***Income Source #1: 40000 - Contracting Party contributions to the General Fund
(allocated across Funds 10, 20 and 30):***

- a. Date income expected:** For FY2024, income falls due 1 October 2023.
- b. What is covered:** Covers all operating expenses not covered by other sources of income detailed herein.
- c. When are expenses incurred:** Expenses are accrued monthly commencing 1 October 2023.
- d. Historical perspective:** The contributions by each Contraction Party from FY1986 to FY2023 (actual), and FY2024 (requested) are shown in two graphic formats as per figure titles.



Contracting Party Contributions to the General Fund (FY1986-FY2023)

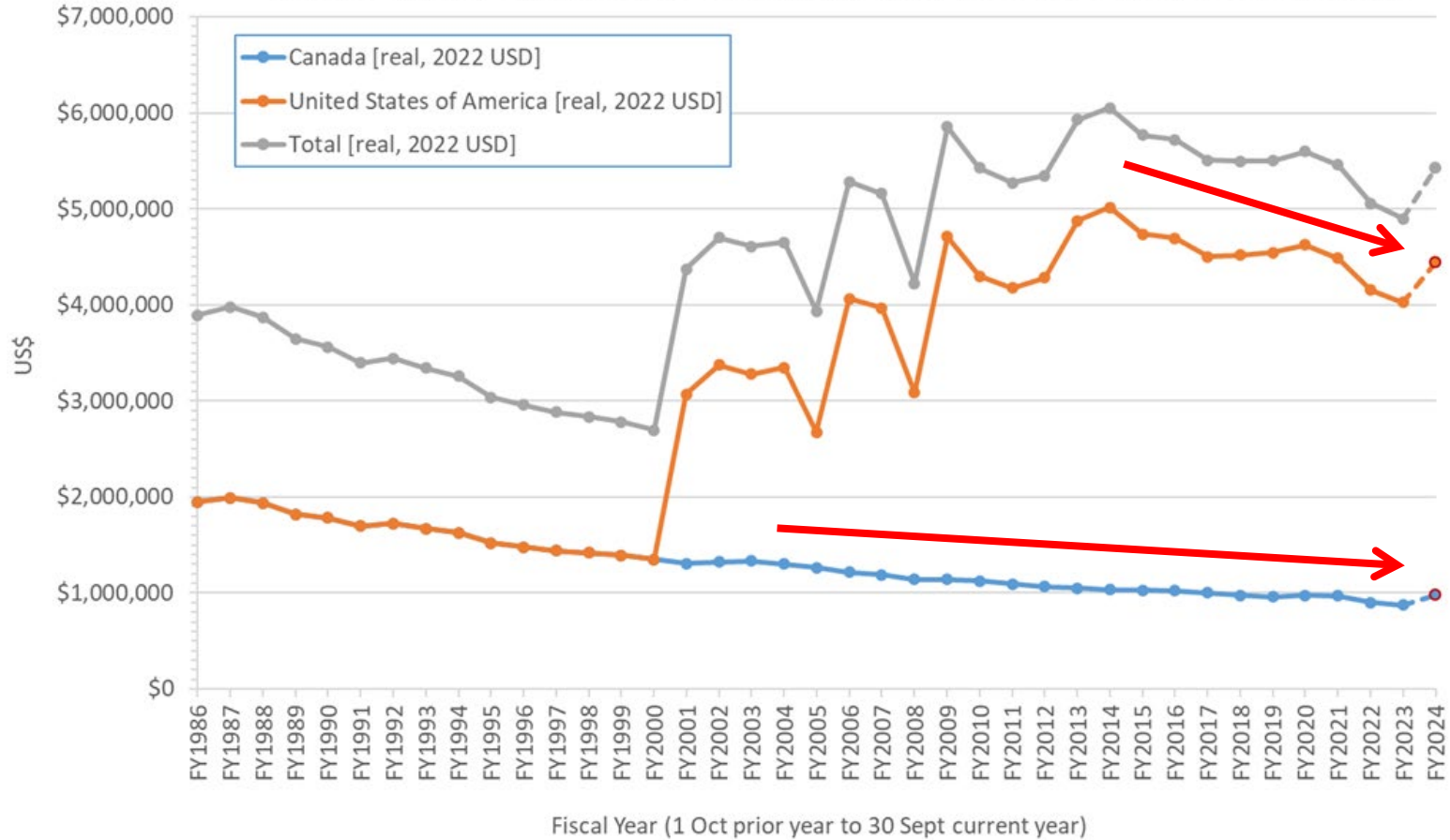


***Income Source #1: 40000 - Contracting Party contributions to the General Fund
(allocated across Funds 10, 20 and 30):***

While the IPHC budget has been frozen for the last three (3) fiscal years in terms of Contracting Party contributions, and this has had a mild impact on the operational capacity of the IPHC in years with relatively low levels of inflation experienced over the past few decades, inflation in the United States started increasing in 2021 and in the mid-2022, reached its highest level since early 1980s.



Contracting Party Contributions to the General Fund (FY1986-FY2024) adjusted for inflation



***Income Source #1: 40000 - Contracting Party contributions to the General Fund
(allocated across Funds 10, 20 and 30):***

In real dollar terms, the contributions adjusted for inflation (2022 USD) show a gradual decline in contribution value from FY2014 to FY2023 with the most apparent decline from FY2020 to FY2023. The plot assumes inflation consistent with the Federal Reserve projections for 2023 of 3.3% and for 2024 of 2.5%.

While the outlook for the US economy in 2023 looks better and inflation has started to cool (Consumer Price Index declined from 6.4% to 6% in the last 12 months ending in February 2023, continuing an eight-month trend of declining annual inflation), the **purchasing power** of the frozen contributions will be **significantly lower than in pre-pandemic years.**



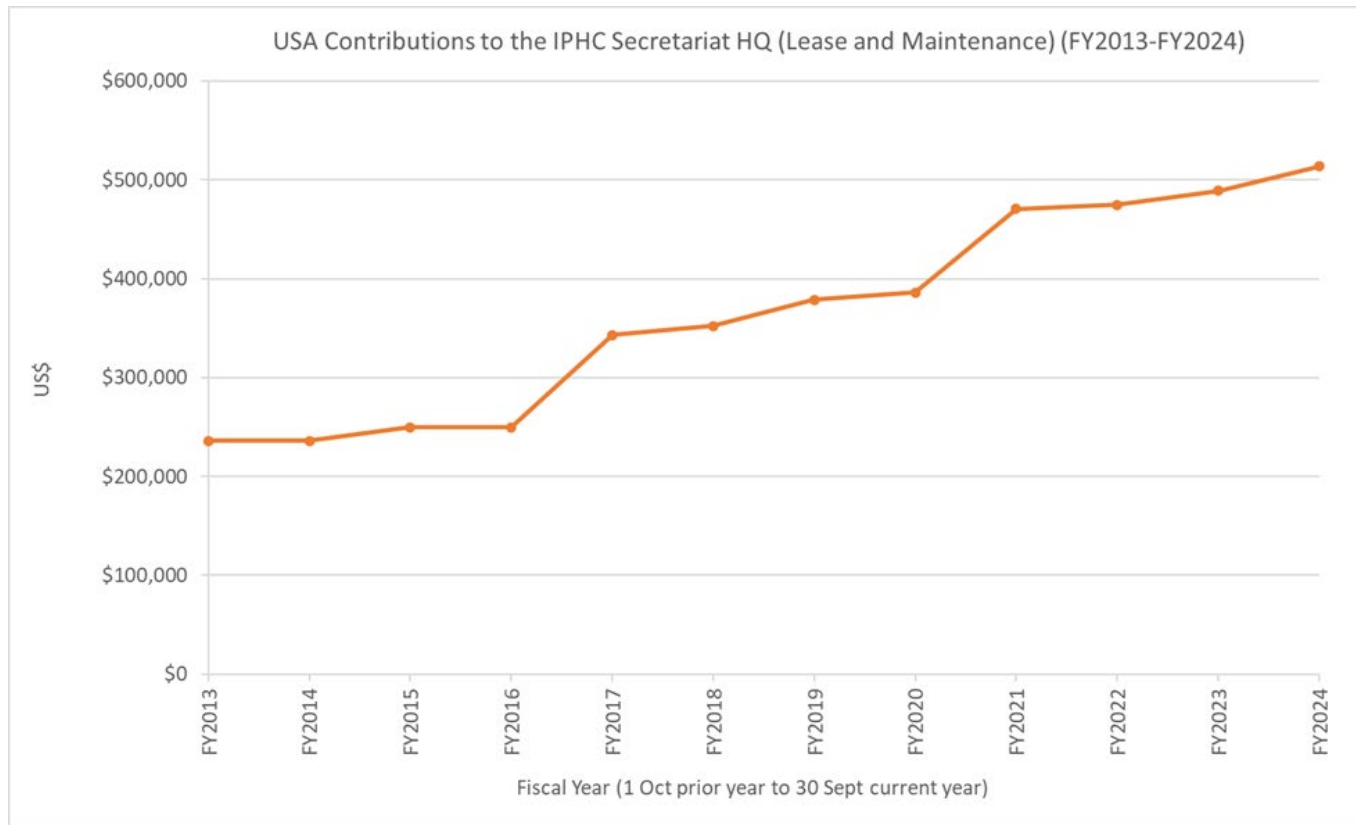
- Sources of income, when income is received, and what expenses they cover and when;

Income Source #2: 40055 - USA Contributions for the IPHC Headquarters (Lease and Maintenance):

- Date income expected:** For FY2024, income falls due on 1 October 2023.
- What is covered:** IPHC Headquarters Lease and associated building maintenance charges from landlord.
- When are expenses incurred:** Expenses are accrued monthly commencing 1 October 2023. The current building lease expires on **30 September 2025**. Note: over the coming 6 months, the Secretariat will commence the process of seeking to either renew the current premises lease, or to secure new facilities. The Commission may wish to contribute to that process in the form of guidance on location and budget.
- Historical perspective:** Below is a graphic for the current leased premises (Salmon Bay, Seattle, WA, USA). Prior to FY2013, the US State Department directly managed the lease for the previous premises with, and located on, the University of Washington.



- Sources of income, when income is received, and what expenses they cover and when;



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Income Source #3: 40060.05 Recouped Leave expenses:

- Date income expected:** For FY2024, income accrued monthly from 1 October 2023.
- What is covered:** Throughout each year staff take Annual Leave. When annual leave is taken, the salary is offset, and is thus recorded as an income in accordance with GAAP.
- When are expenses incurred:** Expenses are accrued as leave is taken.
- Historical perspective:** FY2022 was the first year the IPHC started to record recouped leave expenses as an income. This change is part of our move from OCBOA (Other Comprehensive Basis of Accounting) to GAAP accounting practices.



- Sources of income, when income is received, and what expenses they cover and when;

Income Source #4: 40060.06 Rent – Dutch harbor

- Date income expected:** Income accrued monthly from the date in which the FDS(F) takes up residence in Dutch harbor (usually from April to late November each year).
- What is covered:** A 1-bedroom apartment is leased by the IPHC in Dutch harbor for field staff use. As there is very limited accommodation in Dutch harbor, which is in very high demand, the IPHC leases an apartment to guarantee accommodation. The monthly rent (US\$1,756.25 plus 3% tax) is subsidised by the IPHC with the remainder deducted from the FDS(F) salary (**US\$800/month**). The amount paid by the FDS(F) is recorded as income in accordance with GAAP. It should be noted that the IPHC portion will be included in Grant 802 for FY2024, as was the case in FY2022 and FY2023. In FY2022, income totalled ~US\$8000.
- When are expenses incurred:** For FY2024, expenses are accrued monthly commencing 1 October 2023. The current apartment lease expires on **3 March 2027**. In FY2022, expenses totalled ~US\$9,800.
- Historical perspective:** FY2022 was the first year the IPHC entered into this lease agreement (18 April 2022).



- Sources of income, when income is received, and what expenses they cover and when;

Income Source #5: 40100.01 802 - IPHC Directed Commercial Catch Sampling of Pacific halibut in Alaska ([IPHC-2023-SS013-INF02](#))

- Date income expected:** Income accrued quarterly within the FY.
- What is covered:** This is a 5-year 'grant' from NOAA and is set to expire on 30 September 2023. The Secretariat has submitted a new funding request to NOAA for the 5-year period FY2024-28 (1 Oct 2023 to 30 Sept 2028) ([IPHC-2023-SS013-INF02](#)). The 'grant' is meant to cover the post-IFQ port sampling costs for Pacific halibut in the waters off Alaska.

<i>Fiscal Year</i>	<i>Proposed/ Budgeted</i>	<i>Received</i>	<i>Variance</i>
FY2024	\$953,132	TBD	TBD
FY2025	\$1,026,223	TBD	TBD
FY2026	\$1,097,601	TBD	TBD
FY2027	\$1,182,488	TBD	TBD
FY2028	\$1,267,773	TBD	TBD



c. When are expenses incurred: For FY2024, expenses are accrued monthly commencing 1 October 2023.

d. Historical perspective: The current grant is for the period FY2019-2023. In total, for the 5-year 'grant' period FY2019-FY2023, a total funding shortfall of \$368,277.64 was realised. This was partially accounted for by either reduced operations (not filling a port for a year), or utilizing Contracting Party contributions without differentiation (i.e. from Canada and the USA).

In FY2022, following the directive from NOAA that the pre-approved 'grant' award for that year would be reduced by US\$181,450, the Secretariat scrambled to make in-year savings. One of those areas identified was to defer sablefish data entry activities until the following fiscal year, in the hope that NOAA would provide the necessary funding. However, the USA directed the Secretariat to complete the logbook entries, irrespective of the funding. As this was in-year, the budget shortfall and service reductions focused on Pacific halibut activities, and using funds contributed from both Contracting Parties to the General Fund.



<i>Fiscal Year</i>	<i>Budgeted</i>	<i>Received</i>	<i>Variance</i>
FY2023	\$664,458.64	\$621,605.00	(\$42,853.64)*
FY2022	\$559,975.00	\$378,525.00	(\$181,450.00)^
FY2021	\$478,599.00	\$482,466.00	\$3,867.00
FY2020	\$449,562.00	\$451,227.00	\$1,665.00
FY2019	\$598,488.00	\$454,514.00	(\$143,974.00)

*In FY2023, the Secretariat has reduced our intended in-port sampling footprint to compensate for the income shortfall from NOAA.

^In FY2022, we partially accounted for the budget shortfall by not filling one field position (Juneau). This resulted in reduced data sampling for Pacific halibut. In addition, a field staff member was not placed on St Paul (plant closed due to COVID-19). Other cuts were made, however due to increased costs in areas such as travel, they had little to no impact (travel costs sharply increased during the COVID-19 pandemic).



- Sources of income, when income is received, and what expenses they cover and when;

Income Source #6: 40100.02 802 - MoU WDFW Rockfish sampling:

- Date income expected:** Income typically received in September of each year.
- What is covered:** Sampling using the FISS platform = 8 FISS stations in Washington, USA. The expenses are 100% cost recovered and received once the data is submitted to the WDFW.
- When are expenses incurred:** Expenses accrued monthly from May-Sept (sampling time dependent).
- Historical perspective:** A new 5-year agreement was signed in 2020 for the period 2021-25 (see budget estimate below).

Estimated budget WDFW Rockfish Stations - FY2021-FY2025

Expense Category	Estimates (actual may be +/- 5%)					Contract (+/-5%)
	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Vessel Expenses	\$ 20,000	\$ 21,000	\$ 22,050	\$ 23,153	\$ 24,310	\$ 110,513
Bait and Gear Expenses	\$ 4,108	\$ 4,313	\$ 4,529	\$ 4,756	\$ 4,993	\$ 22,699
Field Staff Expenses	\$ 2,993	\$ 3,143	\$ 3,300	\$ 3,465	\$ 3,638	\$ 16,538
HQ costs	\$ 1,730	\$ 1,817	\$ 1,907	\$ 2,003	\$ 2,103	\$ 9,559
Contingency	\$ 2,270	\$ 2,384	\$ 2,503	\$ 2,628	\$ 2,759	\$ 12,543
Total	\$ 31,101	\$ 32,656	\$ 34,289	\$ 36,003	\$ 37,803	\$ 171,853



- Sources of income, when income is received, and what expenses they cover and when;

Income Source #7: 40100.XX – Research Grants (note, none currently budgeted for FY2024)

- Date income expected:** Grant dependent.
- What is covered:** Grant dependent. Each year, the Biological and Ecosystem Sciences Branch seeks to obtain external research funding to compliment the work that we do. In FY2023, we budgeted and expect to receive \$97,955.30 in research funding from two grants as follows:
 - BREP:** [IPHC Grant #807 - Gear-based approaches to catch protection as a means for minimizing whale depredation in longline fisheries](#). Amount US\$99,700.00 across two fiscal years.
 - North Pacific Research Board (NPRB):** [IPHC Grant #808 - Pacific halibut population genetics](#). Amount \$193,685 over 1 Dec 2021 to 31 Jan 2024.
- When are expenses incurred:** Expenses accrued monthly.
- Historical perspective:** The number and value of research grants varies year by year and will depend on the priorities set within the [5-Year IRMP](#), as well as internal resourcing.



1) Income sources, timing and how it is applied to expenses:

- Details around external funding (e.g. contracts, projects funded, and how it fits with IPHC's core mandate), the implications of past external funding shortfalls, and any mitigation measures being considered in drafting future contracts/agreements;



- Details around external funding (e.g. contracts, projects funded, and how it fits with IPHC's core mandate), the implications of past external funding shortfalls, and any mitigation measures being considered in drafting future contracts/agreements;

1) External funding relevant to this section are detailed in the previous pages.

- a. 802 NOAA – International Pacific Halibut Commission Directed Commercial Catch Sampling of Pacific halibut in Alaska (IPHC Grant 802) (IPHC Secretariat) FY24-28 application submitted on 4 April 2023.
- b. 807 NOAA BREP - Gear-based approaches to minimizing whale depredation – Total award \$99,700.
- c. 808 NPRB – Population Genomics – North Pacific Research Board - Total award \$193,685



- Details around external funding (e.g. contracts, projects funded, and how it fits with IPHC's core mandate), the implications of past external funding shortfalls, and any mitigation measures being considered in drafting future contracts/agreements;

2) The IPHC maintains a list of currently active and previous collaborations on the IPHC website:
<https://www.iphc.int/the-commission/cooperation-with-other-organisations>

- a. The IPHC's 5-year program of integrated research and monitoring (2022-2026) provides a description of how each area fits within the IPHC's work. Noting that the plan is a living document and based on the Commission's request to continue to characterise our activities by core focal area and priority, we intend to continue the development of the plan moving forward.
<https://www.iphc.int/uploads/pdf/5yrirm/iphc-2022-5yrirm.pdf>
- b. Past external funding shortfalls:
 - i. Direct funding shortfalls such as those from Grant 802 are detailed in the previous section. This is the only pre-approved funding shortfall we have experienced in the past five (5) years.
 - ii. Indirect funding shortfalls are those where we had budgeted to receive research income in a given year, however the funding was not forthcoming. As funding was not forthcoming, the work was not undertaken and no expenditure was incurred.



- Details around external funding (e.g. contracts, projects funded, and how it fits with IPHC's core mandate), the implications of past external funding shortfalls, and any mitigation measures being considered in drafting future contracts/agreements;

c. Mitigation measures:

- i. We no longer include income for research grants in our budget proposals until the grant is approved and the funding date secured.
- ii. 'Grant' 802: It has been indicated to us that the 'grant' is not a grant, but a subsidy to the annual Contracting Party contributions of the USA. As such, we have and will continue to include the 'grant' funding in our proposed budgets unless directed otherwise by the Commission.

The latest grant proposal for FY2024-28 covers eligible expense for sampling Pacific halibut post-IFQ.

In the past this grant has also been used to fund sablefish activities, sometimes at the expense of Pacific halibut data collection and related activities.

A Commission decision is needed to determine the level of support the IPHC will provide for sablefish data collection, databasing, and provision.

We suggest that should the Commission wish to support sablefish activities, which are outside the Commission's mandate, that it provide a structured decision that includes an agreed funding mechanism, and areas where Pacific halibut services should be replaced.



1) Income sources, timing and how it is applied to expenses:

- Number of staff and amount of staff time required to develop and administer the contracts/ agreements for activities that fall outside IPHC's core mandate.



- Number of staff and amount of staff time required to develop and administer the contracts/ agreements for activities that fall outside IPHC's core mandate.
-
- 1) It is difficult to precisely calculate the Secretariat time required to develop and administer grants on an annual basis unless those calculations are specifically done at the time the grant/contract etc is developed. We have done this in the recent past and those elements are included as 'Overheads' to any funding proposal.
 - 2) In terms of process, a grant is initially developed by the relevant team, whether this be Port Services, Research, or other area. Secretariat from the Finance and Personnel Services Branch participate in the drafting and information provision for budgeting. The Executive Branch are also involved in terms of review, and further development. In some cases, the Executive are heavily involved in higher level discussions and negotiations. Grant 802 for example is being lead by the Executive team, with support from Port Services and others.



- Number of staff and amount of staff time required to develop and administer the contracts/ agreements for activities that fall outside IPHC's core mandate.
- 1) We generally apply a 20% overhead to cover the above expenses, however some bodies limit this to 10% (e.g. NOAA), which often does not cover our calculated overheads. This results in those additional overhead costs being borne by the Contracting Parties through their combined contributions.
 - 2) There are other activities that we undertake on an annual basis that fall outside the IPHC's core mandate. Due to time constraints, we have not collated these activities in paper. However we will endeavour to do this over the coming months. Examples:
 - a. Sablefish – see Grant 802
 - b. Rockfish – see WDFW MoU.
 - c. Cod – Collected for NOAA during the annual FISS.
 - d. Dogfish – Collected for NOAA during the annual FISS.







2) Specific line items that have experienced significant change over the last 5 years

- *Budget line items that have experienced a significant change over the last 5 years and provide a rationale for that change;*
- *Line items of interest include, yet may not be limited to, 50000, 50100, 51200.04, and 52000.03.*

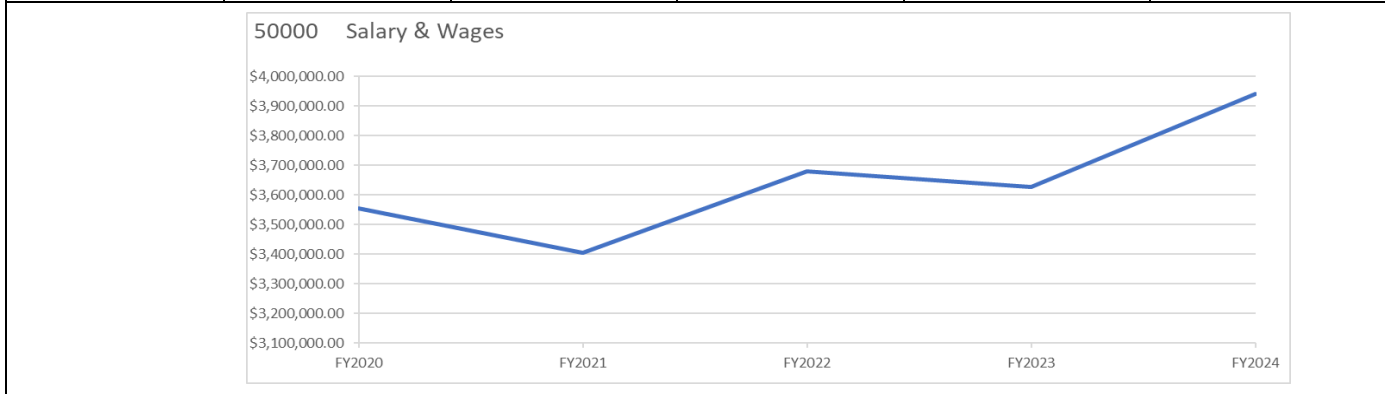


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	FY2020	FY2021	FY2022	FY2023	FY2024
50000 Salary & Wages	\$3,555,187.00	\$3,404,663.00	\$3,678,562.00	\$3,627,682.10	\$3,941,441.79
					

50000: Salaries and Wages

*General Contributions
(Fund 10, 20 and 30)*



Seattle/Tacoma: Increase from FY2020 to FY2024 = 10.86% = 2.71% / year

US Federal Civil Service: FY2020 to FY2024 = 3.19% / year

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/#url=2023>



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50000: Salaries and Wages

*General Contributions
(Fund 10, 20 and 30)*

FY2021 – Commission froze the budget for the first time in many years. As a precautionary measure, we did not budget/plan to fill vacant FTE's. Hence decrease from FY2020, despite annual incremental salary increase.





FY2022 – Ran with an additional hire (1 x FTE) due to key staff member transitioning out. Plus standard COLA.

FY2023 – Decrease from prior FY, despite % salary increase. Decrease due in part to the restructuring (pushing roles and responsibilities downward).

FY2024 – Increase due to full budgeting for all 33 FTE's, and COLA in accordance with US Fed (slightly less).

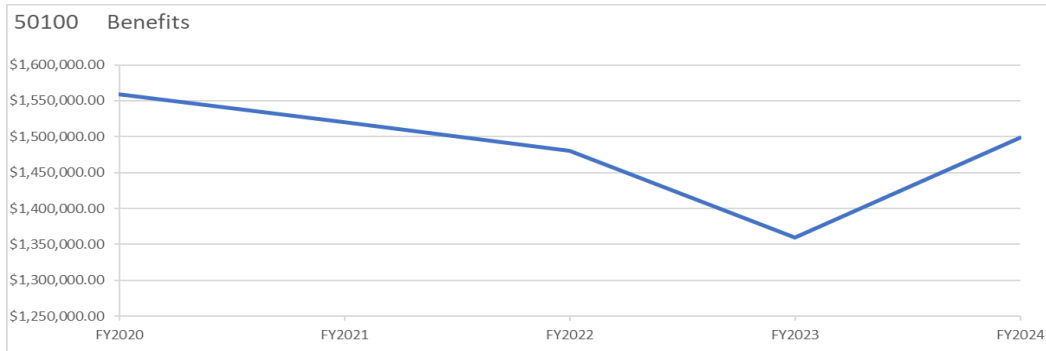


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	FY2020	FY2021	FY2022	FY2023	FY2024
50100 Benefits	\$1,559,412.00	\$1,520,313.00	\$1,479,887.50	\$1,359,249.77	\$1,498,825.63
					

50100: Benefits

*General Contributions
(Fund 10, 20 and 30)*



Decrease from FY2020 to FY2024 = -3.88% or -0.97% / year



- *Budget line items that have experienced a significant change over the last 5 years and provide a rationale for that change;*
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FY2021 – Decrease from prior FY. Commission froze the budget for the first time in many years. As a precautionary measure, we did budget/plan to fill vacant FTE's. Hence decrease from FY2020.

FY2022 – Decrease from prior FY. During late FY2021, we made a number of benefit changes, including managing retiree benefits appropriately, and offering less medical insurance options, plus capping the Healthcare Reimbursement Account (HRA).

FY2023 – Decrease from prior FY. Decrease due in part to the restructuring (pushing roles and responsibilities downward), as well as further lowering the HRA cap.

FY2024 – Increase due to full budgeting for all 33 FTE's, and an assumption of a 12% increase in medical insurance premiums which may or may not eventuate.

50100: Benefits

*General Contributions
(Fund 10, 20 and 30)*



- *Budget line items that have experienced a significant change over the last 5 years and provide a rationale for that change;*
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51200.04 now 51300.06: Subsidiary Body Rep.

This budget line covers travel for non-govt. members to attend their board meetings:

- RAB (1 in-person 1d meeting annually). 8-10 board members.
- SRB (two in-person 3d meetings annually). 3-5 board members.
- MSAB (1 in-person 3d meeting annually). Budgeted for 18 non-govt. reps (21 seats).

All three of these board meetings are held in the IPHC HQ office. In addition, the SRB members are paid an honorarium for independent services rendered. In FY2024 we have budgeted US\$81,060 for this purpose.





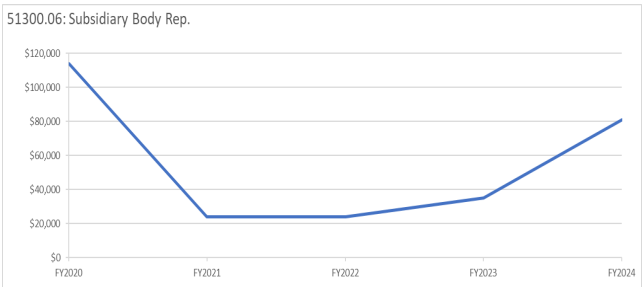


- *Budget line items that have experienced a significant change over the last 5 years and provide a rationale for that change;*
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51200.04

now 51300.06:

Subsidiary Body Rep.

51300.06: Subsidiary Body Rep.	FY2020	FY2021	FY2022	FY2023	FY2024
Research Advisory Board (RAB)	\$10,000	\$0	\$0	\$10,000	\$10,000
Scientific Review Board (SRB)	\$34,000	\$24,000	\$24,000	\$25,000	\$33,500
Management Strategy Advisory Board (MSAB)	\$70,000	\$0	\$0	\$0	\$37,560
Total:	\$114,000	\$24,000	\$24,000	\$35,000	\$81,060
					
<div> <div>51300.06: Subsidiary Body Rep.</div>  </div> <div>Decrease from FY2020 to FY2024 = -28.89% or -7.22% / year</div>					

Decrease from FY2020 to FY2024 = -28.89% or -7.22% / year



- *Budget line items that have experienced a significant change over the last 5 years and provide a rationale for that change;*
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52000.03: Accounting fees

This line item represents the fees for our accounting firm Sommerville and Associates (S&A). S&A joined the IPHC in 2021 as consultants and moved to an ongoing contract in 2022. S&A provides preparation of:

Form 941 - Employer's Quarterly Federal Tax Returns;

Form 944 – Employer's Annual Federal Tax Return;

Form W-3 & W-2 - Wage & Tax Statements;

Form 990 – Return of Organization Exempt for Income Tax;

Form 1096 & 1099 – Annual Summary & Transmittal of U.S. Information Returns.

Assist with annual audit preparation for materials for the auditor.



- *Budget line items that have experienced a significant change over the last 5 years and provide a rationale for that change;*
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52000.03: Accounting fees





Performs month-end close processes including payroll benefit liabilities, payroll adjustments, and reconciliation of credit card and bank statements.

Works in tandem with Secretariate Finance & Personnel Services Branch (FPSB) to process payroll, approve and pay accounts payable, post payments, credit card transactions, and deposits in accounting software Aplos.

The FPSB and S&A meet weekly. The S&A team consists of three team members assisting FPSB. The S&A team members bill at \$75-\$250 per hour depending on the individual providing services. Depending on the time of year regarding FISS transactions, audit preparation, and government form preparation monthly fees range from \$8,000 - \$12,000 with a cap on the fees at \$150,000 annually.

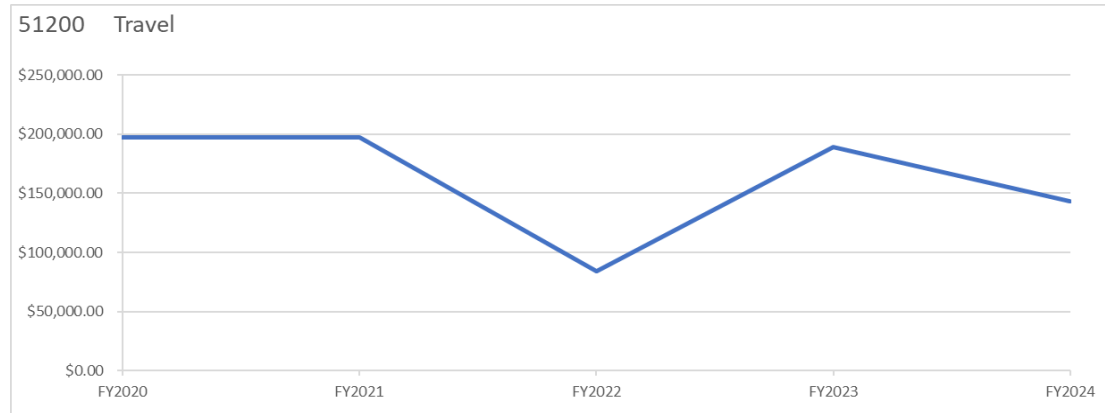


- *Budget line items that have experienced a significant change over the last 5 years and provide a rationale for that change;*
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	FY2020	FY2021	FY2022	FY2023	FY2024
51200 Travel	\$197,200.00	\$197,200.00	\$84,450.00	\$188,819.73	\$142,925.00
					

51200: Travel

*General Contributions
(Fund 10, 20 and 30)*







Decrease from FY2020 to FY2024 = 27.52% = -6.88% / year

Decrease from FY2020 to FY2024 = -27.52% or -6.88% / year

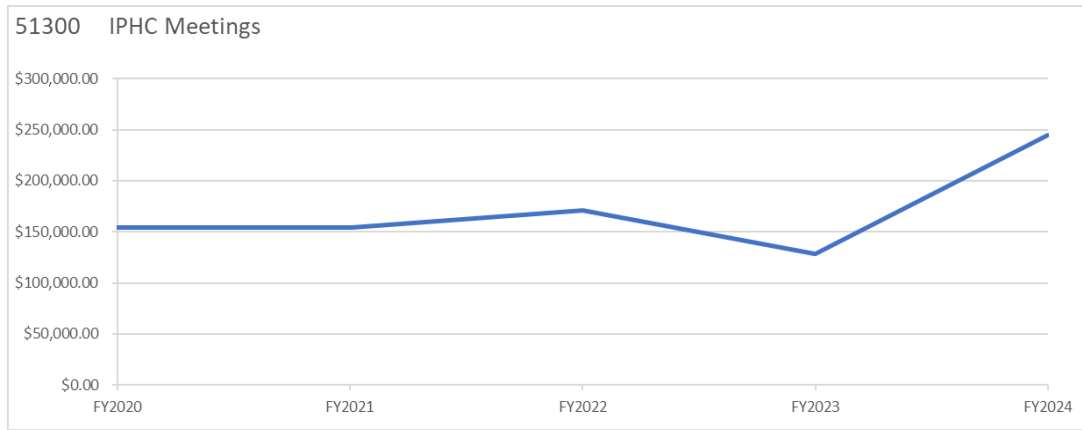


- *Budget line items that have experienced a significant change over the last 5 years and provide a rationale for that change;*
- *Line items of interest include, yet may not be limited to, 50000, 50100, 51200.04, and 52000.03.*

	FY2020	FY2021	FY2022	FY2023	FY2024
51300 IPHC Meetings	\$154,500.00	\$154,500.00	\$171,000.60	\$128,500.00	\$244,760.00
					

51300: IPHC Meetings

*General Contributions
(Fund 10, 20 and 30)*



Increase from FY2020 to FY2024 = 58.42% = 14.6% / year

Increase from FY2020 to FY2024 = 58.42% = 14.6% / year



3) Headquarters and other facilities rentals

- *The purpose and location of each facility;*
- *How rental costs for each facility have changed over last 5 years.*



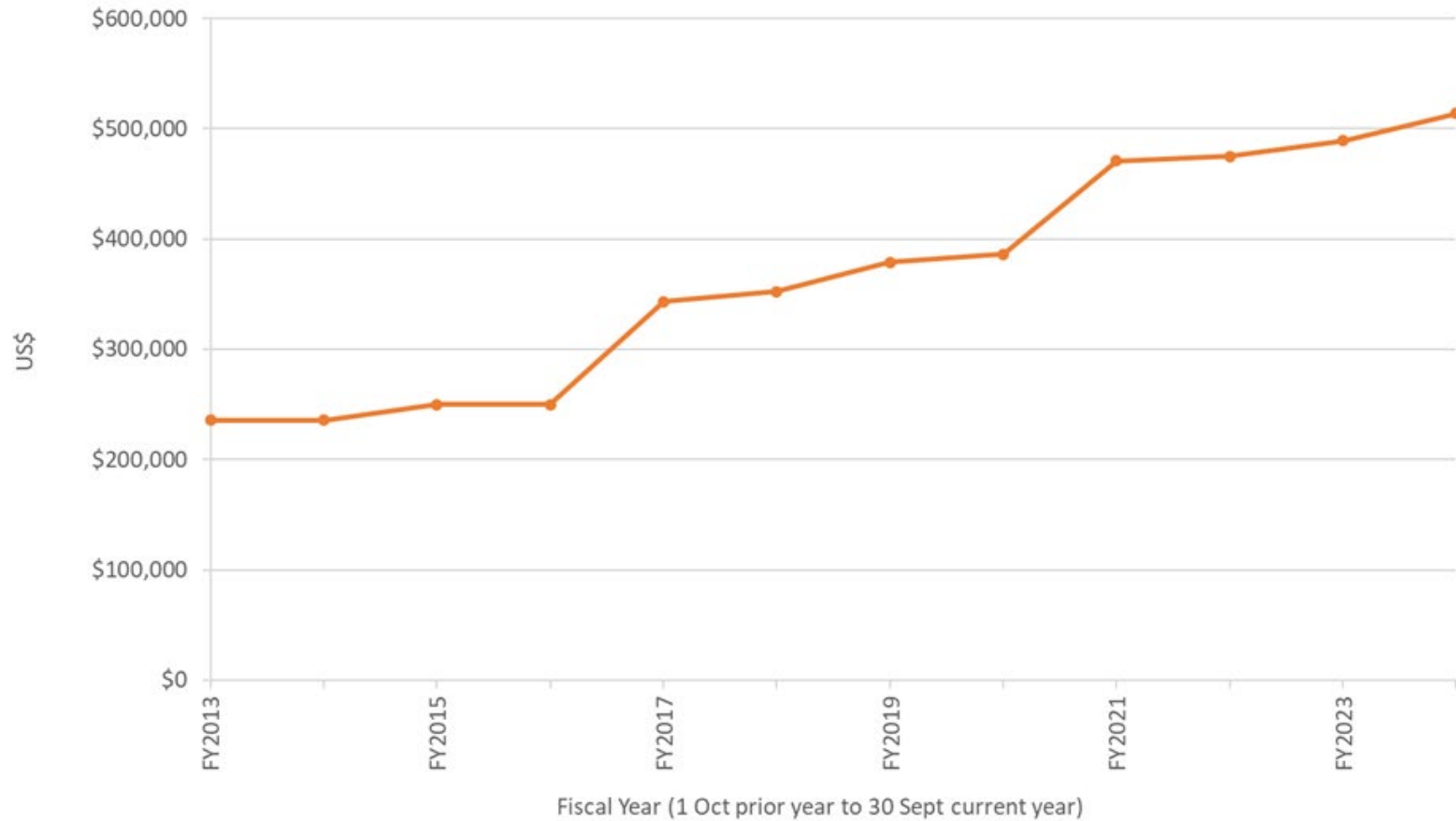
- *The purpose and location of each facility;*
- *How rental costs for each facility have changed over last 5 years.*

Facility #1: IPHC HQ : Salmon Bay, Seattle, WA, USA.

- a) **Purpose:** To house the IPHC Secretariat in Seattle (USA contribution).
- b) **Location:** 2320 W. Commodore Way, Suite 300, Seattle, WA, USA, 98199.
- c) **Historical perspective:** The below graphic is for the current leased HQ premises at Salmon Bay. Prior to FY2013, the US State Department managed the lease for the previous premises with the University of Washington directly.
- d) **Funding source :** USA, separate to the annual Contracting Party contributions to the general fund.



USA Contributions to the IPHC Secretariat HQ (Lease and Maintenance) (FY2013-FY2024)



- *The purpose and location of each facility;*
- *How rental costs for each facility have changed over last 5 years.*

Facility #2: IPHC Seattle warehouse (MIC: Maritime Industrial Center), Port of Seattle , WA, USA.

a) Purpose: To store field equipment primarily for the IPHC Fishery-Independent Setline Survey (FISS). The lease is for approximately 1,916 square feet of warehouse for the period 1 April 2021 until 31 March 2026 (5 years).

FY2021

Base Rent is generally computed as follows:

1,916 sf of warehouse space @ \$7.8462/sf/yr = \$15,033.32/yr ÷ 12 = \$1,252.78/mo

The Base Rent shall constitute the contract rent for purposes of determining taxable rent for assessment of leasehold excise tax.



- *The purpose and location of each facility;*
- *How rental costs for each facility have changed over last 5 years.*

Facility #2: IPHC Seattle warehouse (MIC: Maritime Industrial Center), Port of Seattle , WA, USA.

FY2022-2025

3.2. Adjustments to Base Rent.

3.2.1. Percentage Increases to Rent. The Base Rent stated in Section 3.1 shall be increased by three percent (3%) effective on the anniversary of the Commencement Date if the first of the month, otherwise, the anniversary of the first day of the first full month following the Commencement Date, and every twelfth (12th) month thereafter through the term of this Lease, including any extension term (if any).

Effective on April 1, 2022, through March 31, 2023 = \$1,290.36/month.

Effective on April 1, 2023, through March 31, 2024 = \$1,329.07/month.

Effective on April 1, 2024, through March 31, 2025 = \$1,368.94/month.

Effective on April 1, 2025, through March 31, 2026 = \$1,410.01/month.

Location: 2700 West Commodore Way, Seattle, WA, USA 98199.

Historical Perspective: There has been a 3% annual increase from 2011 through 2020.

Funding source: FISS Fund 40 (cost-recovered)



- *The purpose and location of each facility;*
- *How rental costs for each facility have changed over last 5 years.*

Facility #3: Homer: Office space for FDS(F)

- a) Purpose:*** *To provide an office space for the FDS(F) in Homer, AK.*
- b) Location:*** *Icicle Seafoods, Inc., 842 Fish Dock Road, Homer, AK 99603*
- c) Historical perspective:*** *This is a month-to-month lease, at a rate of US\$275.00/mo. (US\$3,300/year) for a single office space within the Icicle Seafoods building. This is our last field office space and may need to be reconsidered.*
- d) Funding source:*** *802 Grant (cost-recovered depending on full 'grant' funds being received.*



- *The purpose and location of each facility;*
- *How rental costs for each facility have changed over last 5 years.*

Facility #4: *Dutch harbor: Apartment for field staff (see above).*

- a) Purpose:** *A 1-bedroom apartment is leased by the IPHC in Dutch harbor for field staff use. As there is very limited accommodation in Dutch harbor which is in very high demand, the IPHC leases this apartment to guarantee accommodation. The monthly rent (US\$1,756.25 plus 3% tax) is subsidised by the IPHC with the remainder deducted from the FDS(F) salary (US\$800/month) and recorded as income in accordance with GAAP. It should be noted that the IPHC portion will be included in the NOAA cost-recovery grant (802) for FY2024, as was the case in FY2022 and FY2023. In FY2022, income totalled ~US\$8000.*
- b) Location:** *2387 Airport Beach Road Dutch Harbor, AK 99692, Apartment #509*
- c) Historical perspective:** *FY2022 was the first year the IPHC entered into this lease agreement (18 April 2022).*
- d) Funding source:** *802 Grant*



- *The purpose and location of each facility;*
- *How rental costs for each facility have changed over last 5 years.*

Facility #5: Sitka: Note that we ended the Sitka office space lease for the FDS(F) at the end of 2022. We do not intend on leasing a new premises. Was for \$240/mo.



4) Review of staff and the creation of the Fisheries Policy Branch

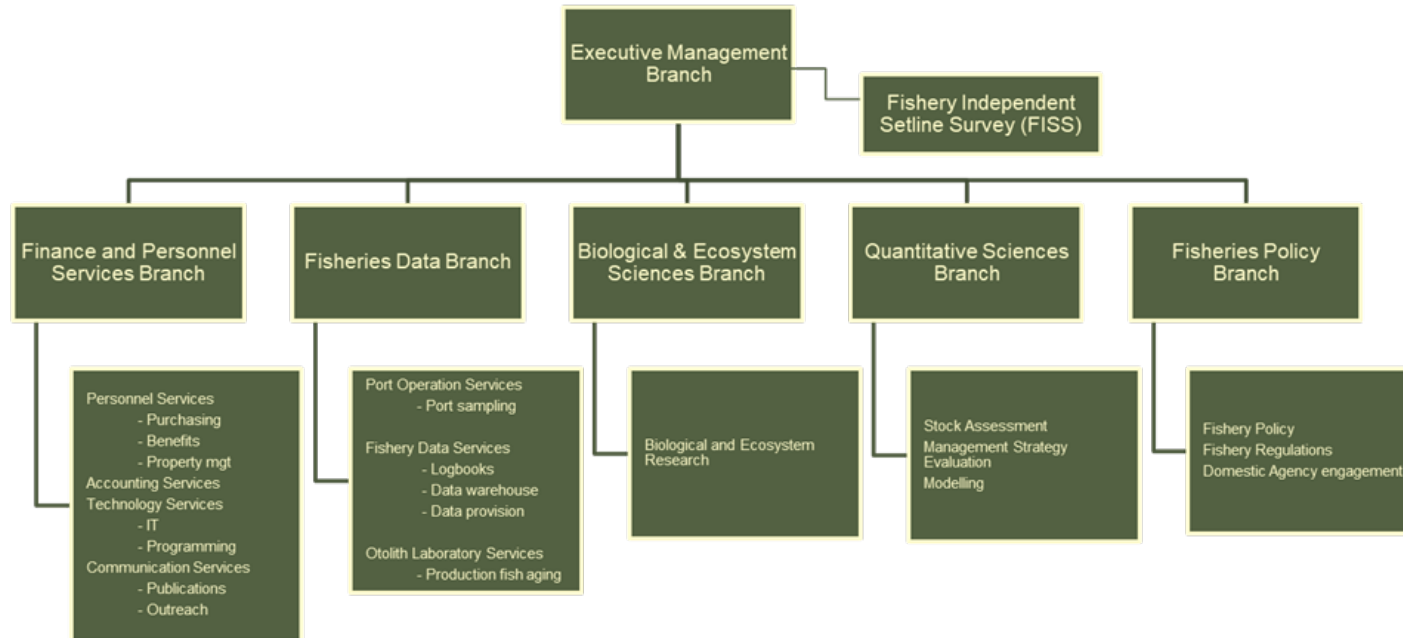
- *Overview of staff and duties*
- *Amount of time spent by staff to perform IPHC related duties vs other (i.e., developing/administering contracts that fall outside IPHC related work, teaching/professional development, other duties as identified by the Secretariat);*
- *How staff numbers and capacity have changed over last 5 years;*
- *How many ports are staffed along the coast and how much does it cost to staff each per year;*
- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*



- Overview of staff and duties

Provided at paper [IPHC-2023-SS013-INF01](#) is a full and detailed description of the IPHC Secretariat structure, each team members' roles and their core responsibilities.

IPHC Secretariat Structure/Functions (2023)



- Amount of time spent by staff to perform IPHC related duties vs other (i.e., developing/administering contracts that fall outside IPHC related work, teaching/professional development, other duties as identified by the Secretariat);

<i>Position</i>	<i>NOAA Grant: Sablefish components</i>	<i>Affiliate faculty/teaching</i>	<i>Domestic agency support</i>	<i>Reviews /Collaborations</i>
<i>Executive Director</i>	<i>80+ hrs to-date this FY</i>	-	-	-
<i>Assistant Director</i>	<i>80+ hrs to-date this FY</i>	-	-	-
<i>Port Operations Coordinator</i>	<i>80+ hrs to-date this FY</i>	-	-	-
<i>Setline Survey Coordinator</i>	-	-	-	<i>80+ hrs to-date this FY</i>
<i>Quantitative Scientist (Stock Assessment)</i>	-	<i>40 hrs per FY</i>	<i>NPFMC SSC: 240 hrs per FY (6 weeks)</i>	<i>DFO/NOAA: Technical reviews 40 hrs per FY</i>
<i>Quantitative Scientist (MSE)</i>	-	<i>40 hrs per FY</i>	<i>NPFMC Plan Team: 80hr per FY</i>	<i>DFO/NOAA: Stock assessment/MSE reviews: 40 hrs per FY</i>
<i>Quantitative Scientist (Biometrics)</i>	-	<i>40 hrs per FY</i>		
<i>BESB Manager</i>	-	<i>16 hrs per FY</i>	<i>NPRB: 40 hrs per FY</i>	<i>Grant reviewer: 16 hrs per FY</i>
<i>Branch Manager (Policy)</i>	-	-	-	<i>24 hrs per FY</i>







- *Amount of time spent by staff to perform IPHC related duties vs other (i.e., developing/administering contracts that fall outside IPHC related work, teaching/professional development, other duties as identified by the Secretariat);*

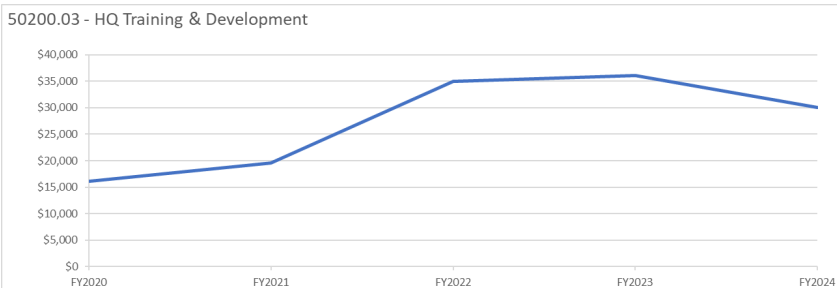
Professional Development: We have a flat rate of 3% allocated for each FTE for Professional Development. Professional development can range from a software training course (e.g. R, or Statistica), supervisor/manager training (junior to senior), to administrative skills training (HR software, excel, accounting software, or similar). Staff apply for funds from account line: 50200.03 - HQ Training & Development.



- Amount of time spent by staff to perform IPHC related duties vs other (i.e., developing/administering contracts that fall outside IPHC related work, teaching/professional development, other duties as identified by the Secretariat);

	FY2020	FY2021	FY2022	FY2023	FY2024
50200.03 - HQ Training & Development	\$16,139	\$19,536	\$35,000	\$36,050	\$30,000
					

50200.03 - HQ Training & Development



Fiscal Year	Amount (\$)
FY2020	16,139
FY2021	19,536
FY2022	35,000
FY2023	36,050
FY2024	30,000

Increase from FY2020 to FY2024 = 85.89% or 21.5% / year

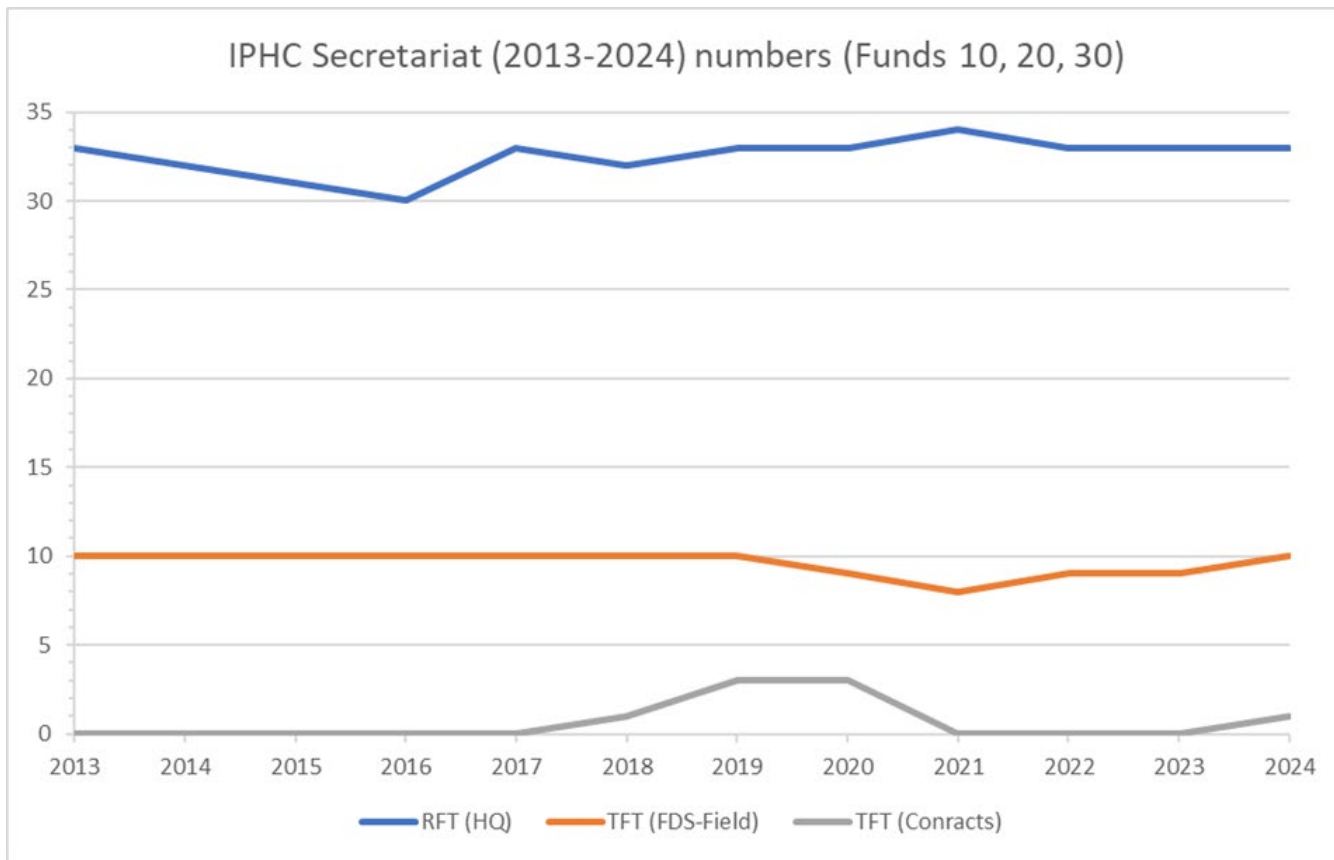


- *How staff numbers and capacity have changed over last 5 years;*

Year	RFT (HQ)	Comment	TFT (FDS-Field)	Comment	TFT (Contracts) - Using reserve funds, not contributions to the General Fund
2024	33		10		1 x Post-doc
2023	33		9 (St Paul closed)	St Paul Closed: COVID	-
2022	33		9 (St Paul closed)	St Paul Closed: COVID	-
2021	34	Overlap of staff member transitioning out	8 (St Paul closed; no FDS(F) in Juneau)	St Paul Closed: COVID & Removal of Juneau FDS(F) to accommodate NOAA Grant budget	-
2020	33		9 (St Paul closed)	St Paul Closed: COVID	3 (MSEx2 and Socio-Econx1 project)
2019	33		10		3 (MSEx2 and Socio-Econx1 project)
2018	32	1 post unfilled	10		1 (MSE project)
2017	33		10		-
2016	30	3 posts unfilled	10		-
2015	31	2 staff retired end 2014	10		-
2014	32	1 staff retired in 2013	10		-
2013	33		10		-
2012	33		10		-



- *How staff numbers and capacity have changed over last 5 years;*



- *How many ports are staffed along the coast and how much does it cost to staff each per year;*

We staff 10 posts coastwide on an annual basis. This has fluctuated in recent years from 8 to 10, due to COVID-19 restrictions in St Paul, and the funding shortfall with 'Grant' 802 from NOAA which meant we could not staff the port of Juneau in 2021. The following table provides the average cost for FDS(F) by area.

Port	Salaries and Wages	Payroll Taxes	Benefits	Other (incl. Travel & Training)	Facilities (Office, accommodation)	GSA Vehicle & insurance or stipend	Total
Canada (2)	\$39,567.50	\$3,165.40	\$17,070.03	\$3,624.00	-	\$950.00	\$64,376.93
USA AK (7)*	\$43,748.05	\$3,432.51	\$17,428.32	\$3,994.00	Homer \$3,000 Dutch H. \$8,757	\$4,507.14	\$72,446.24
USA WC (1)	\$4,627.35	\$370.18	\$1,633.98	\$6,732	-	\$4,625	\$11,727.18

*St Paul is typically staffed for a much shorter period of time. Total costs est. \$26,550/yr.



- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*
- 1) Prior to 2016, the roles and responsibilities of fishery policy, fishery regulation, and liaison with domestic agency staff in these areas rested the **Program Manager** (a.k.a. '**Branch Manager**' in current terminology) for '*Fisheries Statistics and Regulations*' who was supported by partial FTE time allocations from a range of other staff, including the ED, AD and others.
 - 2) In 2016, the '**Program Manager**' retired and these roles and responsibilities were retained by the new **Program Manager** for 2017.
 - 3) In early 2018, it was determined to transfer these roles and responsibilities to the **Assistant Director** on a caretaker basis, as the **Program Manager** was overtasked, and the **Assistant Director** under tasked. The Assistant Director was by default, also the Branch Manager for Fisheries Policy (and supervising the Economics project at the time). Thus, the Fisheries Policy Branch was formally created in early 2018.
 - 4) The Roles and Responsibilities sat with the **Assistant Director** until retirement in March of 2020.



- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*

5) At the same time, throughout the course of 2017 and 2018, the Secretariat reviewed all current roles and responsibilities of staff, and identified areas where clearer lines of communication and responsibility could be adopted.

6) Throughout the course of 2019, the IPHC Secretariat facilitated the implementation of the 2nd Performance Review of the IPHC (PRIPHC02) via three face-to-face meetings (one in Seattle (4-6 June, 2019), one in New York City (25 August 2019) and one in Ottawa, Canada (8-10 October)). The Panel also held several additional tele-conferences, both among themselves, and with stakeholders.

7) The meeting was supported by Independent Legal and Science Experts who provided technical reviews and reports on specific components of the review criteria relevant to their areas of expertise.



- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*

8) The PRIPHC02 utilised documentation and presentations provided by the IPHC Secretariat, as well as feedback from Contracting Parties, Commissioners, and officers of the Commission's subsidiary bodies. During each discussion with these various group representatives, the PRIPHC02 pursued three basic themes:

- Impressions on progress since the first review in 2012 (or, for those who may not have been engaged in the IPHC then, thoughts on engagement with IPHC to date);
- View of the current status of the IPHC and the support/functioning of the IPHC Secretariat;
- Thoughts about what is needed for the future of IPHC – from the Secretariat and/or other engagements.



- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*

9) The final Report of the 2nd Performance Review of the IPHC (PRIPHC02), IPHC-2019-PRIPHC02-R (adopted on 11 October 2019), was provided to the Commission via [IPHC Circular 2019-21](#) on 15 October 2019, and again at the 95th Session of the Interim Meeting (IM095) in November 2019 for consideration ([IPHC-2019-IM095-16](#)). The report is also available for download from the IPHC website: <https://www.iphc.int/https://www.iphc.int/library/documents/post/iphc-2019-priphc02-r-report-of-the-2nd-performance-review-of-the-international-pacific-halibut-commission-priphc02>.

10) The Panel made a number of recommendations relating to ‘Governance’ and the ‘*Efficiency and Transparency of Financial and Administrative Management*’ of the IPHC including the development of a Business Continuity Plan (BCP).



- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*

11) Over course of the next 12 months, the IPHC Secretariat worked iteratively with the lead Commissioners to develop an internal Program of Work to reform the Finance and Administrative Services of the Commission, but also on the broader structure and functioning of the Secretariat as a whole. This occurred via direct calls and teleconferences. In April of 2020, the Commission met ad-hoc/informally to discuss the structure of the Secretariat, and the broader POW on Finance and Administration. Discussion's included scenario's where there may be cuts in appropriations and where possible actions would need to be taken, e.g. staff reductions, and staff furloughs.

12) The broader Commission viewed, discussed, and agreed to the Plan at the 2020 Work Meeting (WM2020) during the update on progress to the PRIPHC02. Subsequently, on 5 October 2020, the IPHC Secretariat finalized the International Pacific Halibut Commission Finance and Accounting Reformation Program of Work (2019-23) (IPHC–2020–FA-POW, 20 pp.).



- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*

13) This was highlighted at the 96th Session of the IPHC Interim Meeting (IM096) during the regular updates on progress of the PRIPHC02 (IPHC-2020-IM096-13).

IPHC-2020-IM096-13

REF#	RECOMMENDATION	PRIORITY	RESPONSIBILITY	TIMELINE	UPDATE/STATUS
PRIPHC02 –Rec.23 (para. 156)	<p>Efficiency and transparency of financial and administrative management: Availability of resources for IPHC activities</p> <p>The PRIPHC02 RECOMMENDED the continued establishment of a Business Continuity Plan (BCP), which will serve to strengthen the long-term viability of IPHC Secretariat functioning and accountability, in line with best practices of an organisation of its size and breadth. Prioritising a financial and administrative BCP, with the ultimate goal of establishing a comprehensive BCP for the IPHC Secretariat as a whole.</p>	High	IPHC Secretariat; FAC	2020	In progress: The IPHC Secretariat has developed a BCP for the Finance and Administrative Services Branch (financial and administrative BCP) over the past months, and will move to consolidate with other Branches of the organization throughout 2020.

14) As part of the development and implementation of the IPHC–2020–FA-POW, the IPHC Secretariat brought to the attention of the Commission during ad-hoc meetings throughout 2020, several options for restructuring the Secretariat, with the goal of **reducing** the number of upper-level managers from 6 to 5, and to push some of the core responsibilities to lower-level supervisors (Section/Team leads).



- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*

15) Between March 2020 (retirement of the Assistant Director) and November 2020, the above was proposed, discussed, and agreed to by the Commission in ad-hoc electronic meetings (given the HR nature of the topic and the COVID-19 pandemic). These options were developed with consideration of the business continuity component.

16) Specifically, the Commission agreed to combine two (2) **Branch Manager** roles into the Assistant Director position: the **Administrative Manager** and the **Information Technology Manager**. In doing so, it was necessary to separate out the fisheries policy, fishery regulation, and domestic agency liaison roles and responsibilities.

17) These options were presented to Commissions out-of-session due to the HR elements and agreed to in late 2020, in the margins of the WM2020.



- *Decision-making process taken to recently re-structure the Secretariat, leading to the creation of the FPB [March 2018].*

18) This also formed part of the information discussions surrounding the Contracting Party annual contributions at the 96th Session of the IPHC Interim Meeting (IM096) in November of 2020.

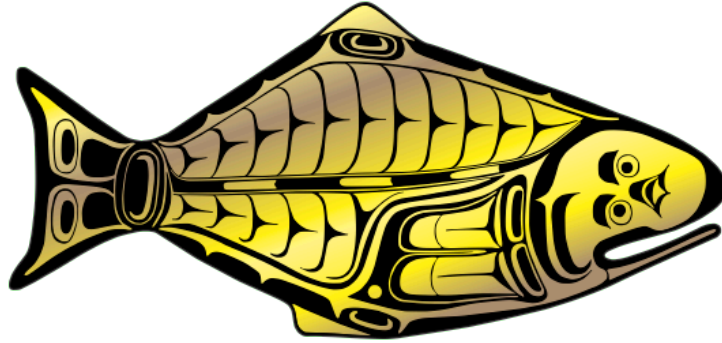
- Paper IPHC-2020-IM096-18: <https://www.iphc.int/uploads/pdf/im/im096/iphc-2020-im096-18.pdf>
- Presentation for paper IPHC-2020-IM096-18: <https://www.iphc.int/venues/details/96th-session-of-the-iphc-interim-meeting-im096>

19) In late 2021 (October), we formally updated the roles and responsibilities of the **Assistant Director**, through review, amendment, and agreement of the Commission (the IPHC Rules of Procedure 2022, prescribe Commission input into the Position Descriptions of the Executive and Assistant Directors) prior to commencing the hiring action (reference email correspondence e.g. 6-Oct-21, 13-Oct-21, 25-Oct-21).

20) The Assistant Director PD specifically excludes fishery policy and fishery regulation activities. See [IPHC-2023-SS013-INF01](#) for the position description.



INTERNATIONAL PACIFIC



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