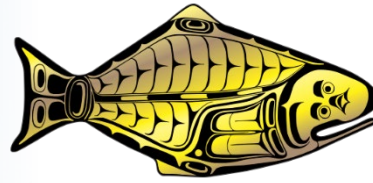


INTERNATIONAL PACIFIC



HALIBUT COMMISSION

# Budget Estimates: FY2023 (for approval)

Agenda Item 3

IPHC-2022-SS012-03 Rev\_1

(D. Wilson)



# PURPOSE & BACKGROUND

**Purpose:** To provide the Commission with the budget estimates for FY2023 (1 October 2022 to 30 September 2023) for approval.

## **Background:**

In accordance with Regulation 5, para. 3, of the IPHC Financial Regulations (2021) (shown below), the next three (3) fiscal years consist of FY2023, FY2024, and FY2025, noting that we are at the end of the 1st quarter of FY2022. These budgets were provided to the FAC via paper [IPHC-2022-FAC098-07 Rev\\_1](#).

(Para. 3) *“The Executive Director shall prepare and submit to the FAC, Contracting Parties, and Commissioners, no later than 30 days before the FAC meeting, budget estimates for the next three fiscal years.”*



# BACKGROUND

At AM098 in January 2022, the Commission:

*“(Para. 101) The Commission **AGREED** that the two Contracting Parties would engage in inter-sessional discussions over the coming month/s to adopt a budget for FY2023 and the associated Contributions. In doing so, the Contracting Parties may consult with, and have requested assistance from the IPHC Secretariat who have been tasked with providing options, including likely impacts, of a frozen FY2023 budget:*

- a) **Option 1:** Maintain and approve the nominal increase of 3% (US\$151,745) for the FY2023 budget;*
- b) **Option 2:** Maintain and approve the nominal increase of 3% (US\$151,745) for the FY2023 budget, however, freeze the contributions to the general fund, while utilizing the current carryover which stands at US\$1,476,626 (for general fund use).*
- c) **Option 3:** Freeze the FY2023 budget at FY2021/FY2022 levels - Contracting Party contributions to the general operation funds.”*



# BACKGROUND

**February 2021:** At the 97<sup>th</sup> Session of the IPHC Annual Meeting (AM097: February 2021), the Commission did not agree to a proposed 5% increase in the FY2022 budget to accommodate the broad range of tasking set by the Commission, including MSE activities. The proposed **5%** increase from FY2021 levels for both Contracting Parties would have resulted in base contributions of US\$945,427 and US\$4,365,648 for Canada and the USA, respectively. The combined total dollar value of the increase would have been **US\$252,908**.



# BACKGROUND

Noting that the Commission did not have a budget in place for FY2022 at the close of AM097, and that the indication was that it intended on freezing the FY2022 budget to FY2021 levels, the short-term contracts (2 years) with an MSE programmer and MSE researcher were unable to be renewed in March and April of 2021, respectively. These two positions had been funded through carry-over funds and could only continue with an increase in contributions to the general fund.



# BACKGROUND

**June 2021:** Budget adoption was deferred to the 11<sup>th</sup> Special Session of the IPHC (SS011) which was held in June of 2021, and where the Commission took the decision to freeze the FY2022 budget at FY2021 levels. The base contributions for each Contracting Party were adopted at **US\$900,407** and **US\$4,157,760** for Canada and the USA, respectively.



# BACKGROUND

To further accommodate this budget freeze, and so as not to commit the Commission to longer-term salary and wage liabilities, the decision was made in 2021 not to fill two (2) vacant HQ positions (1 x Branch Manager - Finance and Personnel Services; and 1 x Fisheries Data Specialist - HQ). In addition, one (1) field position in Juneau (Fisheries Data Specialist (F)) was held vacant for all of 2021, as the budget freeze for FY2022 was paired with a concurrent budget reduction from the NOAA port-sampling grant of **US\$103,941**.



# BACKGROUND

**January 2022:** At the 98<sup>th</sup> Session of the IPHC Annual Meeting (AM098: January 2022), the Commission did not agree to the proposed **3%** increase in the FY2023 budget to cover the range of expected increases in expenditures. The proposed 3% increase from FY2022 and FY2021 level, for both Contracting Parties would have resulted in base contributions of US\$927,419.21 and US\$4,282,492.80 for Canada and the USA, respectively. The combined total dollar value of the proposed increase was **US\$151,745**.





# FY2023 – OPTION 1

**FY2023 INCOME AND EXPENSES** – The IPHC financial budget for FY2023 is proposed at [Appendix Ia](#).

**Base Contributions:** The base contributions include an overall 3% increase from FY2022 for both Contracting Parties for general operations (Funds 10, 20 and 30):

- **Canada:** US\$927,419.21
- **USA:** US\$4,282,492.80



# FY2023 – OPTION 1

## ***Assumptions:***

### ***1) Staffing (key points of note):***

- a. 5 Managerial staff (Executive Director, Assistant Director, and 3 Branch Managers). This assumption rolls over from FY2022 with the removal of 1 Branch Manager position (Finance and Personnel Services) from the organisational structure. The Assistant Director will continue to cover this role and its responsibilities.
- b. Continue to hold vacant for FY2023, one position at an IPHC-GS-8/9 level within the Fisheries Data Services Branch (FDSB) at headquarters. This position was held vacant for FY2022 to accommodate the FY2022 budget freeze.



# FY2023 – OPTION 1

## *Assumptions:*

### *2) Grant funding:*

- a. 20 – Research: ~\$232K (in-line with recent years);
- b. 30 - Statistics: ~\$664K for FY2023 (return to pre-COVID-19 funding levels for the NOAA port-sampling grant).



# FY2023 – OPTION 1

## ***Assumptions:***

### ***3) Budget lines with an estimated 3% increase, but may be higher:***

- a. Salaries and Wages: A 2.5% increase in salaries and wages is included in the budget estimate. The actual increase is not known until early each calendar year. In FY2022, the budgeted increase was 2.5%, while the actual increase was 3.21% (Ref. Executive Order 14061) and the Office of Personnel Management;
- b. Benefits, including '*Health care premiums*': Annual health care premiums continue to increase annually and are not controlled by the IPHC. For example, from 2021 to 2022, the Kaiser Permanente Access PPO Platinum composite rate for ages 21+ increased by ~4.7%, from \$712.58/mo, to \$746.00/mo. We have budgeted for a 3% increase in FY2023, however the rate may be higher. An additional variable is the number of dependents for each staff member. We budget for an employee, spouse and 1.5 dependent children;



# FY2023 – OPTION 1

## *Assumptions:*

- c. Retiree Medical Reimbursement: Medicare premiums and associated fees are expected to increase again for 2023. For 2022, the medical and medicare premiums increased by **5.11%** for ages 55-65, and **4.25%** for ages 65+, respectively. These are not under the control of the IPHC but are determined by our healthcare provider (Kaiser Permanente – medical premiums) and the US Social Security Administration (SSA) (for medicare);
- d. All other budget lines represent a nominal 3% increase from FY2022 levels to offset a forecasted inflation level of **2.3-3.3%**, noting that the actual level may be higher. As an example, in January 2022, the US inflation rate increased to **7.5%**, which was the highest level since 1982.



# FY2023 – OPTION 1

## *Assumptions:*

### **4) Budget lines with 0% increase (frozen):**

- a. Scholarship Awards: The award is fixed at \$4,000 per year, per student (2 students maximum in any given year);
- b. Meetings and Conference Expenses: The original proposed budget did not include an increase in meeting and conference expenses as we strive for an improved meeting series format with both in-person and electronic meetings in 2023.



# FY2023 – OPTION 1

## Other notes: Travel

**FY2020:** US\$209,570 - The General Operating travel budget (pre-pandemic level).

**FY2021:** US\$209,570 – Held at FY2020 level. Approved pre-pandemic at AM096 (Jan/Feb 2020). Reduced in FY to \$152,749.

**FY2022:** US\$84,450 – Approved at SS011 noting pandemic travel restrictions. Updated at AM098 to US\$120,450 noting potential for travel reopening post-pandemic and increases in travel costs being incurred in the first half of FY2022.

**FY2023 proposed:** \$128,125, still substantially below pre-pandemic levels.



# FY2023 – OPTION 1

**Fund 40 - FISS:** Income (and expenses) for the IPHC Fishery-Independent Setline Survey (FISS) are tentative as they are based on the design endorsed at the 97<sup>th</sup> Session of the IPHC Interim Meeting (IM097) in November 2022. Contracting Party contributions are not allocated to 40 – FISS.

## ***Extra-budgetary contributions:***

- **Headquarters Lease and Maintenance:** The headquarters costs to the USA will increase to \$489,250 in FY2023 in accordance with the five-year building lease approved by the two Contracting Parties in 2020 and signed accordingly.
- **Deficit payments to the IFC Pension Fund:** The extra-budgetary deficit payments to the IFC Pension Fund (closed in 2001 to new participants), remain at \$127,848 annually for each Contracting Party. This amount is based on a 10-year deficit payment schedule which is updated/recalculated every three years. The next review is scheduled to occur in 2023 for FY2024.





# FY2023 BUDGET FOR APPROVAL OPTION 1

See APPENDIX Ia

		10 - General	20 - Research	30 - Statistics	10,20,30 - TOTAL	40 - FISS	10,20,30, 40 - TOTAL
Account Number	Account Name	FY2023	FY2023	FY2023	FY2023	FY2023	FY2023
<b>Income</b>							
40000	Contracting Party Contributions						
40000.01	Canada	\$ -	\$ -	\$ -	\$ 927,419.21	\$ -	\$ 927,419.21
40000.02	United States of America	\$ -	\$ -	\$ -	\$ 4,282,492.80	\$ -	\$ 4,282,492.80
	<b>Total 40000 - Contracting Party Contributions</b>	<b>\$ 3,105,330.20</b>	<b>\$ 912,193.05</b>	<b>\$ 1,192,388.80</b>	<b>\$ 5,209,912.01</b>	<b>\$ -</b>	<b>\$ 5,209,912.01</b>
40055	Headquarters (Lease & Maintenance)	\$ 489,250.00	\$ -	\$ -	\$ 489,250.00	\$ -	\$ 489,250.00
40060	Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40100	Grants, Contracts & Agreements	\$ -	\$ 232,140.37	\$ 664,458.64	\$ 896,599.01	\$ 34,289.00	\$ 930,888.01
40200	Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40200.01	Bank Interest	\$ 772.50	\$ -	\$ -	\$ 772.50	\$ -	\$ 772.50
40200.02	CD Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total - Other Income</b>	<b>\$ 490,022.50</b>	<b>\$ 232,140.37</b>	<b>\$ 664,458.64</b>	<b>\$ 1,386,621.51</b>	<b>\$ 34,289.00</b>	<b>\$ 1,420,910.51</b>
40350	Fish Sales						
40350.01	Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ 4,886,450.04	\$ 4,886,450.04
40350.02	Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ 60,564.00	\$ 60,564.00
	<b>Total 40350 - Fish Sales</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,947,014.04</b>	<b>\$ 4,947,014.04</b>
	<b>Total Income</b>	<b>\$ 3,595,352.70</b>	<b>\$ 1,144,333.42</b>	<b>\$ 1,856,847.44</b>	<b>\$ 6,596,533.56</b>	<b>\$ 4,981,303.04</b>	<b>\$ 11,577,836.60</b>
<b>Expense</b>							
<b>Personnel Expenses</b>							
50000	Salaries & Wages	\$ 1,875,645.50	\$ 667,739.10	\$ 1,269,265.54	\$ 3,812,650.14	\$ 1,056,809.36	\$ 4,869,459.50
50100	Benefits	\$ 658,594.56	\$ 244,966.32	\$ 461,888.94	\$ 1,365,449.82	\$ 289,124.08	\$ 1,654,573.90
50100.09	Medical Reimbursement - Retiree	\$ 93,263.37	\$ -	\$ -	\$ 93,263.37	\$ -	\$ 93,263.37
50200	Training & Education	\$ 36,050.00	\$ 18,477.00	\$ 21,630.00	\$ 76,157.00	\$ 56,238.00	\$ 132,395.00
50300	Personnel Related Expenses	\$ 5,665.00	\$ -	\$ 10,300.00	\$ 15,965.00	\$ 37,467.28	\$ 53,432.28
50300.01	Scholarship Awards	\$ 8,000.00	\$ -	\$ -	\$ 8,000.00	\$ -	\$ 8,000.00
	<b>Total Personnel Expenses</b>	<b>\$ 2,677,218.43</b>	<b>\$ 931,182.42</b>	<b>\$ 1,763,084.48</b>	<b>\$ 5,371,485.33</b>	<b>\$ 1,439,638.72</b>	<b>\$ 6,811,124.05</b>
<b>Operational Expenses</b>							
51000	Publications	\$ 5,150.00	\$ 7,500.00	\$ 9,270.00	\$ 21,920.00	\$ -	\$ 21,920.00
51100	Mailing and Shipping	\$ 6,180.00	\$ 7,000.00	\$ 5,150.00	\$ 18,330.00	\$ 128,750.00	\$ 147,080.00
51200	Travel	\$ 92,700.00	\$ 14,825.00	\$ 20,600.00	\$ 128,125.00	\$ 121,041.48	\$ 249,166.48
51300	Meeting and Conference Expenses	\$ 170,000.00	\$ -	\$ -	\$ 170,000.00	\$ -	\$ 170,000.00
51400	Technology	\$ 139,050.00	\$ -	\$ 2,163.00	\$ 141,213.00	\$ -	\$ 141,213.00
	<b>Total Operational Expenses</b>	<b>\$ 413,080.00</b>	<b>\$ 29,325.00</b>	<b>\$ 37,183.00</b>	<b>\$ 479,588.00</b>	<b>\$ 249,791.48</b>	<b>\$ 729,379.48</b>
<b>Fees and Contract Expenses</b>							
52000	Professional Fees	\$ 226,600.00	\$ -	\$ 1,458.48	\$ 228,058.48	\$ -	\$ 228,058.48
52200	Other Fees and Charges	\$ 51,500.00	\$ -	\$ -	\$ 51,500.00	\$ 10,300.00	\$ 61,800.00
52300	Leases and Contracts	\$ 25,750.00	\$ 39,019.00	\$ 36,050.00	\$ 100,819.00	\$ 1,996,487.11	\$ 2,097,306.11
54000	Communications	\$ 30,900.00	\$ -	\$ 3,605.00	\$ 34,505.00	\$ 20,600.00	\$ 55,105.00
	<b>Total Fees and Contract Expenses</b>	<b>\$ 334,750.00</b>	<b>\$ 39,019.00</b>	<b>\$ 41,113.48</b>	<b>\$ 414,882.48</b>	<b>\$ 2,027,387.11</b>	<b>\$ 2,442,269.59</b>
<b>Facilities and Equipment Expenses</b>							
53000	Equipment Expense	\$ 20,600.00	\$ -	\$ 4,120.00	\$ 24,720.00	\$ 15,450.00	\$ 40,170.00
53100	Supplies Expense	\$ 25,750.00	\$ 144,807.00	\$ 2,678.00	\$ 173,235.00	\$ 772,500.00	\$ 945,735.00
53200	Maintenance and Utilities	\$ 113,300.00	\$ -	\$ 2,488.48	\$ 115,788.48	\$ 10,300.00	\$ 126,088.48
53300	Facility Rentals	\$ 463,500.00	\$ -	\$ 6,180.00	\$ 469,680.00	\$ 13,390.00	\$ 483,070.00
	<b>Total Facilities and Equipment Expenses</b>	<b>\$ 623,150.00</b>	<b>\$ 144,807.00</b>	<b>\$ 15,466.48</b>	<b>\$ 783,423.48</b>	<b>\$ 811,640.00</b>	<b>\$ 1,595,063.48</b>
<b>Other Expenses</b>							
55000	Budget Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Expense</b>	<b>\$ 4,048,198.43</b>	<b>\$ 1,144,333.42</b>	<b>\$ 1,856,847.44</b>	<b>\$ 7,049,379.29</b>	<b>\$ 4,528,457.31</b>	<b>\$ 11,577,836.60</b>
	FISS cost-recovery (10% overhead)	\$ (452,845.73)	\$ -	\$ -	\$ (452,845.73)	\$ 452,845.73	\$ -
	<b>Net Income (Loss)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>60 - IFCPF Deficit</b>							
<b>40050 IFC Pension</b>							
40050.01	IFC Pension - Canada	\$ 127,848.00	\$ -	\$ -	\$ 127,848.00	\$ -	\$ 127,848.00
40050.02	IFC Pension - United States of America	\$ 127,848.00	\$ -	\$ -	\$ 127,848.00	\$ -	\$ 127,848.00
	<b>Total 40050 - IFC Pension</b>	<b>\$ 255,696.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 255,696.00</b>	<b>\$ -</b>	<b>\$ 255,696.00</b>



# FY2023 – OPTION 2

**FY2023 INCOME AND EXPENSES** – The IPHC financial budget for FY2023 is proposed at [Appendix Ib](#).

**Base Contributions:** The base contributions for FY2023 would be frozen at FY2021 and FY2022 levels for both Contracting Parties for general operations (Funds 10, 20 and 30):

However, a nominal ~3% increase (US\$151,745) in the general operating expenses would be accommodated via utilization of the current carryover in the Reserve fund which stands at US\$1,476,626 and is for usage solely for funds 10, 20 and 30. Note that the IPHC also has cash in bank to cover all other long-term liabilities, meaning the IPHC financial position is substantially better than the funds available in 50-Reserve. Cash in bank at the end of the previous fiscal year totaled **US\$3,477,277**.

- **Canada:** US\$900,407.00
- **USA:** US\$4,157,760.00
- **50 Reserve Fund:** US\$151,745



# FY2023 – OPTION 2

## *Assumptions:*

Expense budget lines and assumptions in Option 2 would be the same as Option 1.

An inter-fund transfer from 50-Reserve to 10-General of **US\$151,745** would be made to cover the nominal 3% increase in expenses.



# FY2023 – OPTION 2

**Fund 40 - FISS:** Income (and expenses) for the IPHC Fishery-Independent Setline Survey (FISS) are tentative as they are based on the design endorsed at the 97<sup>th</sup> Session of the IPHC Interim Meeting (IM097) in November 2022. Contracting Party contributions are not allocated to 40 – FISS.

## *Extra-budgetary contributions:*

- **Headquarters Lease and Maintenance:** The headquarters costs to the USA will increase to \$489,250 in FY2023 in accordance with the five-year building lease approved by the two Contracting Parties in 2020 and signed accordingly.
- **Deficit payments to the IFC Pension Fund:** The extra-budgetary deficit payments to the IFC Pension Fund (closed in 2001 to new participants), remain at \$127,848 annually for each Contracting Party. This amount is based on a 10-year deficit payment schedule which is updated/recalculated every three years. The next review is scheduled to occur in 2023 for FY2024.



# FY2023 BUDGET FOR APPROVAL OPTION 2

See APPENDIX Ib

Account Number		Account Name		10 - General	20 - Research	30 - Statistics	10,20,30 - TOTAL	40 - FISS	10,20,30, 40 - TOTAL
		FY2023	FY2023	FY2023	FY2023	FY2023	FY2023	FY2023	FY2023
<b>Income</b>									
4000	Contracting Party Contributions								
40000.01	Canada	\$ -	\$ -	\$ -	\$ -	\$ 900,407.00	\$ -	\$ -	\$ 900,407.00
40000.02	United States of America	\$ -	\$ -	\$ -	\$ -	\$ 4,157,760.00	\$ -	\$ -	\$ 4,157,760.00
	<b>Total 40000- Contracting Party Contributions</b>	<b>\$ 2,953,585.20</b>	<b>\$ 912,193.05</b>	<b>\$ 1,192,388.80</b>	<b>\$ 5,058,167.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,058,167.00</b>
40055	Headquarters (Lease & Maintenance)	\$ 489,250.00	\$ -	\$ -	\$ -	\$ 489,250.00	\$ -	\$ -	\$ 489,250.00
40060	Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40100	Grants, Contracts & Agreements	\$ -	\$ 232,140.37	\$ 664,458.64	\$ -	\$ 896,599.01	\$ 34,289.00	\$ -	\$ 930,888.01
40200	Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40200.01	Bank Interest	\$ 772.50	\$ -	\$ -	\$ -	\$ 772.50	\$ -	\$ -	\$ 772.50
40200.02	CD Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total - Other Income</b>	<b>\$ 490,022.50</b>	<b>\$ 232,140.37</b>	<b>\$ 664,458.64</b>	<b>\$ 1,386,621.51</b>	<b>\$ 34,289.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,420,910.51</b>
40350	Fish Sales								
40350.01	Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,886,450.04	\$ -	\$ 4,886,450.04
40350.02	Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,564.00	\$ -	\$ 60,564.00
	<b>Total 40350- Fish Sales</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,947,014.04</b>	<b>\$ -</b>	<b>\$ 4,947,014.04</b>
	<b>Total Income</b>	<b>\$ 3,443,607.70</b>	<b>\$ 1,144,333.42</b>	<b>\$ 1,856,847.44</b>	<b>\$ 6,444,788.56</b>	<b>\$ 4,981,303.04</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,426,091.60</b>
<b>Expense</b>									
<b>Personnel Expenses</b>									
50000	Salaries & Wages	\$ 1,875,645.50	\$ 667,739.10	\$ 1,269,265.54	\$ 3,812,650.14	\$ 1,056,809.36	\$ -	\$ -	\$ 4,869,459.50
50100	Benefits	\$ 658,594.56	\$ 244,966.32	\$ 461,888.94	\$ 1,365,449.82	\$ 289,124.08	\$ -	\$ -	\$ 1,654,573.90
50100.09	Medical Reimbursement - Retiree	\$ 93,263.37	\$ -	\$ -	\$ 93,263.37	\$ -	\$ -	\$ -	\$ 93,263.37
50200	Training & Education	\$ 36,050.00	\$ 18,477.00	\$ 21,630.00	\$ 76,157.00	\$ 56,238.00	\$ -	\$ -	\$ 132,395.00
50800	Personnel Related Expenses	\$ 5,665.00	\$ -	\$ 10,300.00	\$ 15,965.00	\$ 37,467.28	\$ -	\$ -	\$ 53,432.28
50800.01	Scholarship Awards	\$ 8,000.00	\$ -	\$ -	\$ 8,000.00	\$ -	\$ -	\$ -	\$ 8,000.00
	<b>Total Personnel Expenses</b>	<b>\$ 2,677,218.43</b>	<b>\$ 931,182.42</b>	<b>\$ 1,763,084.48</b>	<b>\$ 5,371,485.33</b>	<b>\$ 1,439,638.72</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,811,124.05</b>
<b>Operational Expenses</b>									
51000	Publications	\$ 5,150.00	\$ 7,500.00	\$ 9,270.00	\$ 21,920.00	\$ -	\$ -	\$ -	\$ 21,920.00
51100	Mailing and Shipping	\$ 6,180.00	\$ 7,000.00	\$ 5,150.00	\$ 18,330.00	\$ 128,750.00	\$ -	\$ -	\$ 147,080.00
51200	Travel	\$ 92,700.00	\$ 14,825.00	\$ 20,600.00	\$ 128,125.00	\$ 121,041.48	\$ -	\$ -	\$ 249,166.48
51300	Meeting and Conference Expenses	\$ 170,000.00	\$ -	\$ -	\$ 170,000.00	\$ -	\$ -	\$ -	\$ 170,000.00
51400	Technology	\$ 139,050.00	\$ -	\$ 2,163.00	\$ 141,213.00	\$ -	\$ -	\$ -	\$ 141,213.00
	<b>Total Operational Expenses</b>	<b>\$ 413,080.00</b>	<b>\$ 29,325.00</b>	<b>\$ 37,183.00</b>	<b>\$ 479,588.00</b>	<b>\$ 249,791.48</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 729,379.48</b>
<b>Fees and Contract Expenses</b>									
52000	Professional Fees	\$ 226,600.00	\$ -	\$ 1,458.48	\$ 228,058.48	\$ -	\$ -	\$ -	\$ 228,058.48
52200	Other Fees and Charges	\$ 51,500.00	\$ -	\$ -	\$ 51,500.00	\$ 10,300.00	\$ -	\$ -	\$ 61,800.00
52300	Leases and Contracts	\$ 25,750.00	\$ 39,019.00	\$ 36,050.00	\$ 100,819.00	\$ 1,996,487.11	\$ -	\$ -	\$ 2,097,306.11
54000	Communications	\$ 30,900.00	\$ -	\$ 3,605.00	\$ 34,505.00	\$ 20,600.00	\$ -	\$ -	\$ 55,105.00
	<b>Total Fees and Contract Expenses</b>	<b>\$ 334,750.00</b>	<b>\$ 39,019.00</b>	<b>\$ 41,113.48</b>	<b>\$ 414,882.48</b>	<b>\$ 2,027,387.11</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,442,269.59</b>
<b>Facilities and Equipment Expenses</b>									
53000	Equipment Expense	\$ 20,600.00	\$ -	\$ 4,120.00	\$ 24,720.00	\$ 15,450.00	\$ -	\$ -	\$ 40,170.00
53100	Supplies Expense	\$ 25,750.00	\$ 144,807.00	\$ 2,678.00	\$ 173,235.00	\$ 772,500.00	\$ -	\$ -	\$ 945,735.00
53200	Maintenance and Utilities	\$ 113,300.00	\$ -	\$ 2,488.48	\$ 115,788.48	\$ 10,300.00	\$ -	\$ -	\$ 126,088.48
53300	Facility Rentals	\$ 463,500.00	\$ -	\$ 6,180.00	\$ 469,680.00	\$ 13,390.00	\$ -	\$ -	\$ 483,070.00
	<b>Total Facilities and Equipment Expenses</b>	<b>\$ 623,150.00</b>	<b>\$ 144,807.00</b>	<b>\$ 15,466.48</b>	<b>\$ 783,423.48</b>	<b>\$ 811,640.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,595,063.48</b>
<b>Other Expenses</b>									
55000	Budget Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Expense</b>	<b>\$ 4,048,198.43</b>	<b>\$ 1,144,333.42</b>	<b>\$ 1,856,847.44</b>	<b>\$ 7,049,379.29</b>	<b>\$ 4,528,457.31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,577,836.60</b>
	FISS cost-recovery (10% overhead)	\$ (452,845.73)	\$ -	\$ -	\$ (452,845.73)	\$ 452,845.73	\$ -	\$ -	\$ -
	<b>Net Income (Loss)</b>	<b>-\$151,745.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$151,745.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$151,745.00</b>
<b>60 - IFCPF Deficit</b>									
40050	IFC Pension								
40050.01	IFC Pension - Canada	\$ 127,848.00	\$ -	\$ -	\$ 127,848.00	\$ -	\$ -	\$ -	\$ 127,848.00
40050.02	IFC Pension - United States of America	\$ 127,848.00	\$ -	\$ -	\$ 127,848.00	\$ -	\$ -	\$ -	\$ 127,848.00
	<b>Total 40050- IFC Pension</b>	<b>\$ 255,696.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 255,696.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 255,696.00</b>



# FY2023 – OPTION 3

**FY2023 INCOME AND EXPENSES** – The IPHC financial budget for FY2023 is proposed at [Appendix Ic](#).

**Base Contributions:** The base contributions for FY2023 would be frozen at FY2021 and FY2022 levels for both Contracting Parties for general operations (Funds 10, 20 and 30):

- **Canada:**        US\$900,407.00
- **USA:**            US\$4,157,760.00

Expense budget lines and assumptions in Option 3 would be the same as Option 1, with the following cost savings totaling **US\$151,745**.



# FY2023 – OPTION 3

## 1) Staffing:

- a. Removal of one (1) Fisheries Data Specialist (Field) for FY2023. In FY2021 we did not fill a FDS(F) for the port of Juneau to accommodate the overall budget freeze, and reduction in the NOAA port-sampling grant. The IPHC generally staff 8 ports in the USA and 2 in Canada each year. Cost saving: **US\$60,000**;
  - i. **Alternative:** Reduce non-essential services within this Branch. This branch provides the Commission's fisheries data collection (in-port) and database activities (at HQ), as well as servicing the Port Sampling 'grant' agreement with NOAA fisheries to collect and database the sablefish fishery logbooks for the USA (NOAA-Fisheries). The Commission may wish to cut services for non-Pacific halibut data collection where not fully cost-recovered up to an amount of **US\$60,000**.
  - ii. **Implications** of holding positions vacant for another fiscal year would include continued strain on existing staff in the Fisheries Data Services Branch, potentially resulting in slower delivery of Branch tasks and/or staff turnover/retention issues.
- b. Hold vacant any other position that becomes vacant in FY2023, until there has been a cost saving of **US\$53,000**;  
(This is not a guaranteed saving)



# FY2023 – OPTION 3

- 1) **Meetings/Conferences:** Agreement to hold the October 2022 (FY2023) MSAB meeting electronically. Cost saving: **US\$30,000**; *Implications* would be reduced collaboration and consultation within the MSAB and with the IPHC Secretariat.
- 2) **Meetings/Conferences:** Agreement to hold one of the two SRB meetings in FY2023 electronically. Cost saving: **US\$5,000**; *Implications* would be reduced collaboration and consultation within the SRB and with the IPHC Secretariat.
- 3) **Scholarship Awards:** Defer the next round of scholarship awards until FY2024. Cost saving: **US\$4,000**;
- 4) Other options for discussion:
  - 1) Interim Meeting: **US\$14,000**
  - 2) Work Meeting: **US\$5,000**





# FY2023 – OPTION 3

**Fund 40 - FISS:** Income (and expenses) for the IPHC Fishery-Independent Setline Survey (FISS) are tentative as they are based on the design endorsed at the 97<sup>th</sup> Session of the IPHC Interim Meeting (IM097) in November 2022. Contracting Party contributions are not allocated to 40 – FISS.

## ***Extra-budgetary contributions:***

- **Headquarters Lease and Maintenance:** The headquarters costs to the USA will increase to \$489,250 in FY2023 in accordance with the five-year building lease approved by the two Contracting Parties in 2020 and signed accordingly.
- **Deficit payments to the IFC Pension Fund:** The extra-budgetary deficit payments to the IFC Pension Fund (closed in 2001 to new participants), remain at \$127,848 annually for each Contracting Party. This amount is based on a 10-year deficit payment schedule which is updated/recalculated every three years. The next review is scheduled to occur in 2023 for FY2024.



# FY2023 BUDGET FOR APPROVAL OPTION 3

See APPENDIX Ic

Account Number	Account Name	10 - General	20 - Research	30 - Statistics	10,20,30 - TOTAL	40 - FISS	10,20,30, 40 - TOTAL
		FY2023	FY2023	FY2023	FY2023	FY2023	FY2023
<b>Income</b>							
40000	Contracting Party Contributions						
40000.01	Canada	\$ -	\$ -	\$ -	\$ 900,407.00	\$ -	\$ 900,407.00
40000.02	United States of America	\$ -	\$ -	\$ -	\$ 4,157,760.00	\$ -	\$ 4,157,760.00
	<b>Total 40000 - Contracting Party Contributions</b>	<b>\$ 3,013,985.20</b>	<b>\$ 912,193.05</b>	<b>\$ 1,132,388.80</b>	<b>\$ 5,098,167.00</b>	<b>\$ -</b>	<b>\$ 5,098,167.00</b>
40055	Headquarters (Lease & Maintenance)	\$ 489,250.00	\$ -	\$ -	\$ 489,250.00	\$ -	\$ 489,250.00
40060	Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40100	Grants, Contracts & Agreements	\$ -	\$ 232,140.37	\$ 664,458.64	\$ 896,599.01	\$ 34,289.00	\$ 930,888.01
40200	Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40200.01	Bank Interest	\$ 772.50	\$ -	\$ -	\$ 772.50	\$ -	\$ 772.50
40200.02	CD Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total - Other Income</b>	<b>\$ 490,022.50</b>	<b>\$ 232,140.37</b>	<b>\$ 664,458.64</b>	<b>\$ 1,386,621.51</b>	<b>\$ 34,289.00</b>	<b>\$ 1,420,910.51</b>
40350	Fish Sales						
40350.01	Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ 4,886,450.04	\$ 4,886,450.04
40350.02	Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ 60,564.00	\$ 60,564.00
	<b>Total 40350 - Fish Sales</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,947,014.04</b>	<b>\$ 4,947,014.04</b>
	<b>Total Income</b>	<b>\$ 3,503,607.70</b>	<b>\$ 1,144,333.42</b>	<b>\$ 1,796,847.44</b>	<b>\$ 6,444,788.56</b>	<b>\$ 4,981,303.04</b>	<b>\$ 11,426,091.60</b>
<b>Expense</b>							
<b>Personnel Expenses</b>							
50000	Salaries & Wages	\$ 1,822,900.50	\$ 667,739.10	\$ 1,225,265.54	\$ 3,715,905.14	\$ 1,056,809.36	\$ 4,772,714.50
50100	Benefits	\$ 658,594.56	\$ 244,966.32	\$ 445,888.94	\$ 1,349,449.82	\$ 289,124.08	\$ 1,638,573.90
50100.09	Medical Reimbursement - Retiree	\$ 93,263.37	\$ -	\$ -	\$ 93,263.37	\$ -	\$ 93,263.37
50200	Training & Education	\$ 36,050.00	\$ 18,477.00	\$ 21,630.00	\$ 76,157.00	\$ 56,238.00	\$ 132,395.00
50800	Personnel Related Expenses	\$ 3,665.00	\$ -	\$ 10,300.00	\$ 15,965.00	\$ 37,467.28	\$ 53,432.28
50300.01	Scholarship Awards	\$ 4,000.00	\$ -	\$ -	\$ 4,000.00	\$ -	\$ 4,000.00
	<b>Total Personnel Expenses</b>	<b>\$ 2,620,473.43</b>	<b>\$ 931,182.42</b>	<b>\$ 1,703,084.48</b>	<b>\$ 5,254,740.33</b>	<b>\$ 1,439,638.72</b>	<b>\$ 6,694,379.05</b>
<b>Operational Expenses</b>							
51000	Publications	\$ 5,150.00	\$ 7,500.00	\$ 9,270.00	\$ 21,920.00	\$ -	\$ 21,920.00
51100	Mailing and Shipping	\$ 6,180.00	\$ 7,000.00	\$ 5,150.00	\$ 18,330.00	\$ 128,750.00	\$ 147,080.00
51200	Travel	\$ 92,700.00	\$ 14,825.00	\$ 20,600.00	\$ 128,125.00	\$ 121,041.48	\$ 249,166.48
51300	Meeting and Conference Expenses	\$ 135,000.00	\$ -	\$ -	\$ 135,000.00	\$ -	\$ 135,000.00
51400	Technology	\$ 139,050.00	\$ -	\$ 2,163.00	\$ 141,213.00	\$ -	\$ 141,213.00
	<b>Total Operational Expenses</b>	<b>\$ 378,080.00</b>	<b>\$ 29,325.00</b>	<b>\$ 37,183.00</b>	<b>\$ 444,588.00</b>	<b>\$ 249,791.48</b>	<b>\$ 694,379.48</b>
<b>Fees and Contract Expenses</b>							
52000	Professional Fees	\$ 226,600.00	\$ -	\$ 1,458.48	\$ 228,058.48	\$ -	\$ 228,058.48
52200	Other Fees and Charges	\$ 51,500.00	\$ -	\$ -	\$ 51,500.00	\$ 10,300.00	\$ 61,800.00
52300	Leases and Contracts	\$ 25,750.00	\$ 39,019.00	\$ 36,050.00	\$ 100,819.00	\$ 1,996,487.11	\$ 2,097,306.11
54000	Communications	\$ 30,900.00	\$ -	\$ 3,605.00	\$ 34,505.00	\$ 20,600.00	\$ 55,105.00
	<b>Total Fees and Contract Expenses</b>	<b>\$ 334,750.00</b>	<b>\$ 39,019.00</b>	<b>\$ 41,113.48</b>	<b>\$ 414,882.48</b>	<b>\$ 2,027,387.11</b>	<b>\$ 2,442,269.59</b>
<b>Facilities and Equipment Expenses</b>							
53000	Equipment Expense	\$ 20,600.00	\$ -	\$ 4,120.00	\$ 24,720.00	\$ 15,450.00	\$ 40,170.00
53100	Supplies Expense	\$ 25,750.00	\$ 144,807.00	\$ 2,678.00	\$ 173,235.00	\$ 772,500.00	\$ 945,735.00
53200	Maintenance and Utilities	\$ 113,300.00	\$ -	\$ 2,488.48	\$ 115,788.48	\$ 10,300.00	\$ 126,088.48
53300	Facility Rentals	\$ 463,500.00	\$ -	\$ 6,180.00	\$ 469,680.00	\$ 13,390.00	\$ 483,070.00
	<b>Total Facilities and Equipment Expenses</b>	<b>\$ 623,150.00</b>	<b>\$ 144,807.00</b>	<b>\$ 15,466.48</b>	<b>\$ 783,423.48</b>	<b>\$ 811,640.00</b>	<b>\$ 1,595,063.48</b>
<b>Other Expenses</b>							
55000	Budget Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Expense</b>	<b>\$ 3,956,453.43</b>	<b>\$ 1,144,333.42</b>	<b>\$ 1,796,847.44</b>	<b>\$ 6,897,634.29</b>	<b>\$ 4,528,457.31</b>	<b>\$ 11,426,091.60</b>
	FISS cost-recovery (10% overhead)	\$ (452,845.73)	\$ -	\$ -	\$ (452,845.73)	\$ 452,845.73	\$ -
	<b>Net Income (Loss)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>60 - IFCPP Deficit</b>							
40050	IFC Pension						
40050.01	IFC Pension - Canada	\$ 127,848.00	\$ -	\$ -	\$ 127,848.00	\$ -	\$ 127,848.00
40050.02	IFC Pension - United States of America	\$ 127,848.00	\$ -	\$ -	\$ 127,848.00	\$ -	\$ 127,848.00
	<b>Total 40050 - IFC Pension</b>	<b>\$ 255,696.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 255,696.00</b>	<b>\$ -</b>	<b>\$ 255,696.00</b>



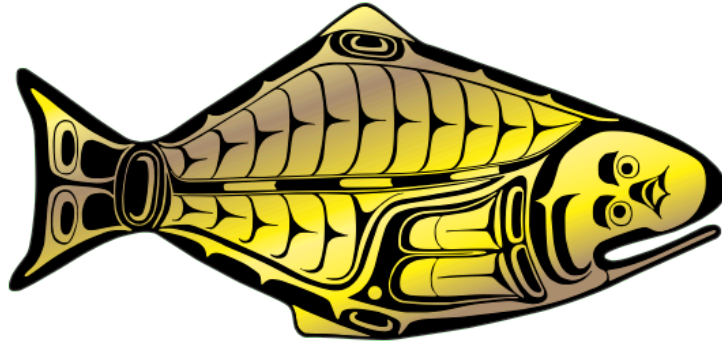
# RECOMMENDATION

That the Commission:

- 1) **NOTE** paper IPHC-2022-SS012-03 Rev\_1 which provided three (3) options for budget estimates for FY2023 (1 October 2022 to 30 September 2023), for consideration, and approval of one.
- 2) **ADOPT** a FY2023 budget (1 October 2022 to 30 September 2023).



**INTERNATIONAL PACIFIC**



**HALIBUT COMMISSION**

