



Budget Estimates: FY2024 (for approval)

PREPARED BY: IPHC SECRETARIAT (D. WILSON & A. KEIKKALA, 13 FEBRUARY 2023)

PURPOSE

To provide the Commission with the budget estimates for FY2024 (1 October 2023 to 30 September 2024) for approval.

BACKGROUND

At the 99th Session of the IPHC Annual Meeting (AM099), the Commission provided that following directives:

(para. 128) The Commission AGREED for the two Contracting Parties to engage in inter-sessional discussions over the coming months to adopt a budget for FY2024 and the associated Contributions. In doing so, the Contracting Parties may consult with, and have requested assistance from the IPHC Secretariat.

(para. 129) The Commission AGREED that the two Contracting Parties to engage inter-sessionally to conduct a review of the budget and appropriations.

(para. 137) The Commission RECOMMENDED that the 13th Special Session of the Commission be held electronically in mid-April 2023 to review and adopt an FY2024 budget.

PROPOSED EXPENDITURES FOR THE FY2024 BUDGET (US\$)

FY2024 INCOME AND EXPENSES – The IPHC financial budget for FY2024 is proposed at [Appendix I](#).

Base Contributions: The contributions include a 10% increase from FY2023/FY2022/FY2021 for both Contracting Parties to **US\$1,019,947.68** and **US\$4,646,428.31**, respectively.

Other general cost assumptions include increases in operation costs, salaries and wages (3.5%, based on cost of living and step increases) and health care costs (~12%) ([Appendix I](#)). The IPHC budget has been frozen for the last three (3) fiscal years in terms of Contracting Party contributions. Thus, this increase equates to an ~3.33% increase annually.

Headquarters Lease and Maintenance: The headquarters costs to the USA will increase to **\$513,712.50** in FY2024 in accordance with the building lease signed in 2020.

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** for each Contracting Party.

FISS: Income (and expenses) for the IPHC Fishery-Independent Setline Survey (FISS) are tentative as they are based on the design noted at the 99th Session of the IPHC Interim Meeting (IM099), and will likely change substantially prior to the 2024 FISS season.

DISCUSSION

In FY2023, we were able to hold several positions vacant to counter the budget freeze for the third year running. In FY2024, we have assumed zero vacancy.

Should the 10% increase not be palatable for FY2024, the Commission will need to consider active cost reduction in the form of FTE removal (in addition to any other reductions) due to the percentage increase required from the prior three fiscal years.

RECOMMENDATION/S

That the Commission:

- 1) **NOTE** paper IPHC-2023-SS013-03 which provided the budget estimates for FY2024 (1 October 2023 to 30 September 2024) for approval.
- 2) **ADOPT** a FY2024 budget (1 October 2023 to 30 September 2024) as detailed in [Appendix I](#), including the contributions from the Contracting Parties to the General Fund for FY2024 as follows:
 - Canada: Contribution to the General Fund: **US\$1,019,947.68**
 - U.S.A.: Contribution to the General Fund: **US\$4,646,428.31**
 - U.S.A.: Contribution to the headquarters building lease and maintenance costs: **US\$513,712.50**
- 3) **NOTE** the optional extra-budgetary (IFCP Fund deficit) contributions from each Contracting Party for FY2024 as follows:
 - Canada:
 - 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$127,848**
 - U.S.A.:
 - 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$127,848**

APPENDICES

[Appendix I](#): FY2024 Financial Budget – Proposed for adoption

Appendix I

FY2024 Financial Budget – Proposed for adoption

FY2024 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	\$ -	\$ -	\$ -	\$ 1,019,947.68	\$ -	\$ 1,019,947.68
40000.02 - United States of America	\$ -	\$ -	\$ -	\$ 4,646,428.31	\$ -	\$ 4,646,428.31
Total 40000 - Contracting Party Contributions	\$ 3,379,416.75	\$ 1,187,904.42	\$ 1,099,054.82	\$ 5,666,375.99	\$ -	\$ 5,666,375.99
40055 - Headquarters (Lease and Maintenance)	\$ 513,712.50	\$ -	\$ -	\$ 513,712.50	\$ -	\$ 513,712.50
Total 40055 - Headquarters (Lease & Maintenance)	\$ 513,712.50	\$ -	\$ -	\$ 513,712.50	\$ -	\$ 513,712.50
40060 Other 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
Total 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 - NOAA Port Sampling Grant	\$ -	\$ -	\$ 767,000.00	\$ 767,000.00	\$ -	\$ 767,000.00
40100.02 - MoU WDFW Rockfish sampling	\$ -	\$ -	\$ -	\$ -	\$ 36,003.00	\$ 36,003.00
Total 40100 - Grants, Contracts & Agreements	\$ -	\$ -	\$ 767,000.00	\$ 767,000.00	\$ 36,003.00	\$ 803,003.00
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
Total 40060 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ 4,335,000.00	\$ 4,335,000.00
Total Income	\$ 3,976,701.75	\$ 1,211,398.92	\$ 1,927,958.82	\$ 7,116,059.49	\$ 4,378,765.50	\$ 11,494,824.99
Expense						
Personnel Expenses						
50000 Salary & Wages	\$ 1,935,298.70	\$ 718,467.02	\$ 1,311,907.87	\$ 3,965,673.59	\$ 869,406.57	\$ 4,835,080.16
50100 Benefits	\$ 825,524.66	\$ 261,303.90	\$ 470,046.00	\$ 1,556,874.56	\$ 189,504.06	\$ 1,746,378.62
50200 Training & Education	\$ 43,000.00	\$ 18,477.00	\$ 16,200.87	\$ 77,677.87	\$ 42,000.00	\$ 119,677.87
50300 Personnel Related Expenses	\$ 5,665.00	\$ -	\$ 12,021.00	\$ 17,686.00	\$ 5,000.00	\$ 22,686.00
Total Personnel Expenses	\$ 2,809,488.36	\$ 998,247.92	\$ 1,810,175.74	\$ 5,617,912.02	\$ 1,105,910.63	\$ 6,723,822.65
Operational Expenses						
51000 Publications	\$ 4,000.00	\$ 7,500.00	\$ 2,000.00	\$ 13,500.00	\$ 400.00	\$ 13,900.00
51100 Mailing and Shipping	\$ 3,500.00	\$ 7,000.00	\$ 5,538.56	\$ 16,038.56	\$ 118,000.00	\$ 134,038.56
51200 Travel	\$ 153,700.00	\$ 14,825.00	\$ 32,400.00	\$ 200,925.00	\$ 113,000.00	\$ 313,925.00
51300 IPHC Meetings	\$ 138,500.00	\$ -	\$ -	\$ 138,500.00	\$ -	\$ 138,500.00
51400 Technology	\$ 144,050.00	\$ -	\$ 17,000.00	\$ 161,050.00	\$ 21,000.00	\$ 182,050.00
Total Operational Expenses	\$ 443,750.00	\$ 29,325.00	\$ 56,938.56	\$ 530,013.56	\$ 252,400.00	\$ 782,413.56
Fees and Contract Expenses						
52000 Professional Fees	\$ 227,300.00	\$ -	\$ 1,560.57	\$ 228,860.57	\$ 2,000.00	\$ 230,860.57
52100 Vessel Expenses	\$ -	\$ -	\$ -	\$ -	\$ 544,000.00	\$ 544,000.00
52200 Other Fees and Charges	\$ 53,842.86	\$ -	\$ 13,039.38	\$ 66,882.24	\$ 23,000.00	\$ 89,882.24
52300 Leases and Contracts	\$ 42,164.00	\$ 39,019.00	\$ 25,573.50	\$ 106,756.50	\$ 1,665,000.00	\$ 1,771,756.50
54000 Communications	\$ 35,500.00	\$ -	\$ 3,400.00	\$ 38,900.00	\$ 1,690.00	\$ 40,590.00
Total Fees and Contract Expenses	\$ 358,806.86	\$ 39,019.00	\$ 43,573.45	\$ 441,399.31	\$ 2,235,690.00	\$ 2,677,089.31
Facilities and Equipment Expenses						
53000 Equipment Expense	\$ 6,600.00	\$ -	\$ 4,408.40	\$ 11,008.40	\$ 33,000.00	\$ 44,008.40
53100 Supplies Expense	\$ 44,000.00	\$ 144,807.00	\$ 3,300.00	\$ 192,107.00	\$ 711,000.00	\$ 903,107.00
53200 Maintenance and Utilities	\$ 53,000.00	\$ -	\$ 6,062.67	\$ 59,062.67	\$ 77,385.00	\$ 136,447.67
53300 Facility Rentals	\$ 482,651.16	\$ -	\$ 3,500.00	\$ 486,151.16	\$ 16,507.00	\$ 502,658.16
Total Facilities and Equipment Expenses	\$ 586,251.16	\$ 144,807.00	\$ 17,271.07	\$ 748,329.23	\$ 837,892.00	\$ 1,586,221.23
Other Expenses						
55000 - Budget Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55200 - Fund Cost Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense	\$ 4,198,296.38	\$ 1,211,398.92	\$ 1,927,958.82	\$ 7,337,654.13	\$ 4,431,892.63	\$ 11,769,546.76
Sub-Total: Net Income (Loss)	\$ (221,594.63)	\$ -	\$ (0.00)	\$ (221,594.64)	\$ (53,127.13)	\$ (274,721.77)
FISS cost-recovery (% overhead)	\$ 221,594.63	\$ -	\$ -	\$ 221,594.63	\$ (221,594.63)	\$ -
Net Income (Loss)	\$ (0.00)	\$ -	\$ (0.00)	\$ (0.00)	\$ (274,721.76)	\$ (274,721.77)