

GULF OF MEXICO FISHERY MANAGEMENT COUNCIL

ADMINISTRATIVE/BUDGET COMMITTEE

Gold Nugget Hotel and Casino & Virtual Biloxi, Mississippi

August 19, 2024

VOTING MEMBERS

- Joe Spraggins.....Mississippi
- Dave Donaldson.....GSMFC
- J.D. Dugas.....Louisiana
- Anthony Overton.....Alabama
- Troy Williamson.....Texas

NON-VOTING MEMBERS

- Kevin Anson (designee for Scott Bannon).....Alabama
- Kesley Banks.....Texas
- Billy Broussard.....Louisiana
- Troy Frady.....Alabama
- Tom Frazer.....Florida
- Dakus Geeslin (designee for Robin Riechers).....Texas
- Michael McDermott.....Mississippi
- LT Jackson Morton.....USCG
- Jason Osborne.....Mississippi
- John Sanchez.....Florida
- Chris Schieble (designee for Ryan Montegut).....Louisiana
- Andy Strelcheck.....NMFS
- C.J. Sweetman.....Florida
- Ed Walker.....Florida

STAFF

- Assane Diagne.....Economist
- Matt Freeman.....Economist
- John Froeschke.....Deputy Director
- Beth Hager.....Administrative Officer
- Lisa Hollensead.....Fishery Biologist
- Sarah Gardiner.....Fishery Biologist
- Heather Graf.....Accounting and Human Resources Assistant
- Mara Levy.....NOAA General Counsel
- Jessica Matos.....Administrative Document Editor & IT Coordinator
- Emily Muehlstein.....Public Information Officer
- Kathy Pereira.....Meeting Planner & Travel Coordinator
- Ryan Rindone.....Lead Fishery Biologist/SEDAR Liaison
- Bernadine Roy.....Office Manager
- Carrie Simmons.....Executive Director
- Verena Wang.....Fishery Biologist

1 **OTHER PARTICIPANTS**

2 Gary Borland.....SAFMC
3 Frank Helies.....NOAA
4 Clay Porch.....SEFSC

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1 The Administrative/Budget Committee of the Gulf of Mexico Fishery
2 Management Council convened at The Golden Nugget Hotel and Casino
3 in Biloxi, Mississippi on Monday morning, August 19, 2024, and was
4 called to order by Chairman Joe Spraggins.
5

6 **ADOPTION OF AGENDA AND APPROVAL OF JUNE 2024 MINUTES**
7 **ACTION GUIDE AND NEXT STEPS**
8

9 **CHAIRMAN JOE SPRAGGINS:** I would like to call the committee to
10 order, the Administrative/Budget Committee, and I would like for
11 an adoption of the agenda, and, before we start that, the members
12 of the committee are myself, Mr. Dugas, Donaldson, Overton, and
13 Williamson, and so I would like to have an adoption of the agenda,
14 if I could.
15

16 **MR. DAVE DONALDSON:** So moved.
17

18 **CHAIRMAN SPRAGGINS:** Do I have a second? A second. Okay. Any
19 discussion? All right. The agenda is adopted. Now I would like
20 to have approval of the June 2024 minutes, if I could get a motion
21 to have that.
22

23 **MR. DONALDSON:** So moved.
24

25 **CHAIRMAN SPRAGGINS:** A second. All right. Any discussion? All
26 right. The minutes are adopted. Now I'll turn it over to Dr.
27 Simmons.
28

29 **REVIEW AND APPROVAL OF FINAL 2024 FUNDED BUDGET**
30

31 **EXECUTIVE DIRECTOR CARRIE SIMMONS:** Thank you, Mr. Chair. Good
32 morning, everyone, and so the first item we have for the
33 Admin/Budget Committee is Review and Approval of the Final 2024
34 Funded Budget, and so we have two tabs for this agenda item.
35

36 In January, you may recall the committee reviewed, and the council
37 approved, the activities that were scheduled for 2024, and you
38 also reviewed a draft budget that was based on our 2023 funding
39 level. All administrative funds have been received from NOAA for
40 the 2024 year, and those total a little bit over \$4.3 million.
41

42 Staff revised the original budget to include additional funding
43 and reallocated the funds, taking year-to-date activity into
44 account. The committee should review and revise the final 2024 -
45 - The revised final 2024 budget, ask any questions, and consider
46 passing a motion, if you approve it. Staff will also brief the
47 committee on the status of the 2020 and 2024 budget expenditures,
48 because this is the fifth and final year of our previous award,

1 and potentially that final budget would potentially support our
2 carryover activities in 2025, because we were told to budget level
3 funding for 2025.

4
5 Staff have developed projections of our anticipated year-end
6 fiscal position that incorporates the remaining five-year budget
7 activities, proposed carryover activities, and additional
8 activities that we may not be able to complete, and so we probably
9 could bring that tab up, Bernie, please.

10
11 **MS. BETH HAGER:** In Tab G, we're presenting a table here showing
12 you year-to-date expenses to June, alongside the original draft
13 budget and the proposed 2024 budget, and the 2024 proposed is based
14 on the total funding received. The figures in this table are, of
15 course, rounded to thousands, and so the actual funding that we
16 received, at the bottom, is \$23,000 higher than anticipated.

17
18 The year-to-date expenditures, overall, are 50 percent, 50.5
19 percent, of the total funding, and, within each budget category,
20 we do see some variances, but then, once we project the activity
21 costs for the remainder of the year, we expect these lines to
22 really pretty much level out, and so there were only a few
23 adjustments made overall from what our original drafted 2024, and
24 the additional funding was placed in the meeting room costs.
25 Bernie, if you scroll down just a little bit more. Thank you.
26 The projection for that line puts it the most underfunded by the
27 yearend, and we have a small amount that was placed in office rent,
28 due to increases in passthrough costs of property taxes and
29 insurance, and you will see these themes repeat throughout.

30
31 Certain property costs that we have are capped, like maintenance
32 and utilities, but other items are based on the percentage of
33 square foot of occupied space that we have in the building.
34 Property taxes and insurance costs, in the Tampa market, have
35 skyrocketed in the past few years, and so that's where the little
36 tiny bit of extra funds went, and we're open to questions.

37
38 **CHAIRMAN SPRAGGINS:** Go ahead, sir. We've got a question here.

39
40 **MR. CHRIS SCHIEBLE:** Thank you, Mr. Chair. Under which category
41 is the state funding apportioned? So like, for the individual
42 states, we get a fixed allocation every year for the participation
43 by the state directors, and what does that fit under in there?

44
45 **MS. HAGER:** In this budget, you see them under the contractual
46 line. In the next four-year award, we will be moving where that
47 category is recognized, but, here, you see them under contractual.

1 **MR. SCHIEBLE:** Just a follow-up question, and so I'm not on the
2 committee, but I guess, as costs increase, and, obviously, as we've
3 seen with inflation over the past couple of years, it may be worth
4 the discussion, next time we discuss budget for consideration
5 increasing the amounts that the individual states are getting
6 allocation-wise for coverage. I know I can speak for Louisiana in
7 particular, and we run out of those funds pretty quickly, and then
8 it goes into our conservation budget, and hits that pretty hard,
9 and it would be helpful, for at least travel purposes, if we could
10 consider increases to the individual states that participate.

11
12 **MS. HAGER:** Yes. Well, those types of increases are probably
13 something that we would want to consider on an annual basis, when
14 the council approves the next budget in 2025, and we did recently
15 increase -- It was within this current award cycle, and we
16 increased the contracts to \$50,000 each per year. It was \$45,000,
17 but we agree that those costs keep increasing, and it's certainly
18 something we will be happy to bring to the table, or talk about.

19
20 **CHAIRMAN SPRAGGINS:** Okay. Any other questions? Seeing none, do
21 we need a motion to approve this? Okay. I would ask for a motion
22 to approve the 2024 budget.

23
24 **MR. DONALDSON:** So moved, Mr. Chairman.

25
26 **MR. J.D. DUGAS:** Second.

27
28 **CHAIRMAN SPRAGGINS:** It's seconded. Any discussion? **Any opposed?**
29 **The motion carries.**

30
31 **MS. HAGER:** So if we could bring up the next tab on the screen,
32 after the motion is done. Sorry.

33
34 **CHAIRMAN SPRAGGINS:** The motion is done.

35
36 **EXECUTIVE DIRECTOR SIMMONS:** Bernie, are you caught up? Okay.

37
38 **MS. HAGER:** This table shows the funding that we have committed
39 and expended through the end of 2023 and the year-to-date costs up
40 to June of 2024. The estimated obligations include the projected
41 expenditures through the end of the year 2024 and approved
42 obligations, like the recreational initiative, which is noted
43 here, and we anticipate that there may be, at the bottom line, if
44 we scroll down just a little bit, \$502,000 remaining at the end of
45 December.

46
47 This needs to be to complete work that's in progress for this
48 award, if we were to request expending it for something, and staff

1 plans, in consultation with council leadership, to develop a
2 prioritized list of activities that would be best suited for
3 inclusion in the no-cost budget extension request, and we need to
4 submit this before the end of October. This is just an
5 informational snapshot, to give you guys an idea of where we're
6 sitting right now, and it is much lower in no-cost than we have
7 available than we have had in cycles past.

8
9 **CHAIRMAN SPRAGGINS:** Okay. Any questions? Go ahead, Mr.
10 Donaldson.

11
12 **MR. DONALDSON:** Beth, this is -- We're in the fifth year of the
13 five-year, and so this money has got to be spent, or we're sending
14 it back, correct?

15
16 **MS. HAGER:** Correct. The plan is to ask for a no-cost, but it's
17 not going to be a big one, and so that's the part of the point
18 here, is that we do have another year to potentially complete any
19 activities, and there is not a lot of wiggle room here, and so, by
20 the time we get one or two things on the table, and we're not
21 talking about research contracts or anything like that, and we're
22 actually doing meeting activities for work that we're doing, and
23 it's not going to leave a lot, and we are also projecting to be
24 level funded in 2025, and so, when we get into the next budget
25 table, there will be a little better explanation there, and you
26 all will be able to see how the numbers are going to be really
27 impacted by the level funding, potentially, in 2025. You can see,
28 in 2024, we've already -- We're going to be expending everything
29 that we have, plus a little.

30
31 **MR. DONALDSON:** That was my next question, is what kind of -- How
32 long is the no-cost extension? Could it be for another year?

33
34 **MS. HAGER:** Potentially up to a year, depending on what we need to
35 do.

36
37 **MR. DONALDSON:** Okay.

38
39 **MS. HAGER:** You know, it could be six months, but likely we'll be
40 able to do a year.

41
42 **MR. DONALDSON:** And it's envisioned that we'll spend most of that
43 \$500,000?

44
45 **MS. HAGER:** I fully expect that to be expended, very easily.

46
47 **MR. DONALDSON:** I just -- I hate when we have to send money back
48 to Treasury, because it doesn't go back to fisheries. It goes to

1 Treasury, so the Pentagon can buy golden toilet seats, or whatever
2 they want to buy.

3
4 **CHAIRMAN SPRAGGINS:** Okay. Any other questions? All right, Dr.
5 Simmons.

6
7 **EXECUTIVE DIRECTOR SIMMONS:** Are we ready for the next agenda item
8 then, Mr. Chair?

9
10 **CHAIRMAN SPRAGGINS:** Yes.

11
12 **REVIEW ACTIVITIES AND BUDGET FOR THE MULTIYEAR 2025-2028 COUNCIL**
13 **FUNDING REQUEST**

14
15 **EXECUTIVE DIRECTOR SIMMONS:** Okay. We'll go on to Agenda Item V,
16 which is the review of the activities and budget for our next four-
17 year award, and it's going to be a four-year award now, for 2025
18 to 2028, and so we're asking the committee to review, provide
19 feedback, and potentially approve this proposed budget.

20
21 We've developed the draft of this, and, as we've said, they
22 suggested that we have level funding, to budget for level funding
23 in 2025, and we're just looking for you all to provide any
24 feedback, ask questions, and make any recommendations, as
25 necessary. Mr. Chair.

26
27 **CHAIRMAN SPRAGGINS:** Okay. Any questions on the four-year
28 proposal, and this is four and not five, right?

29
30 **EXECUTIVE DIRECTOR SIMMONS:** Correct, and Beth can walk through
31 this a little bit. Beth is planning to go through this tab a
32 little bit.

33
34 **CHAIRMAN SPRAGGINS:** Okay. Any questions?

35
36 **MS. HAGER:** Well, in this tab, we have the table rounded to
37 thousands, just like we did in our budget. The first column is
38 what you all just approved as the proposed budget, just for your
39 reference, and then, as we go across, you can see that we have one
40 column for each year.

41
42 If you want to scroll down just a little bit, Bernie, you can see
43 that, because we've been told to budget level funding, as the
44 totals go across, most of the line items within this tab are very
45 similar to what we've already started with in the 2024 funding,
46 because it's level funded, projected to be level, except you can
47 see the rent is going to increase.

48

1 With this level funding, our biggest challenge is the unknown cost
2 of the rent that we're going to potentially encounter, and our
3 lease will expire in 2025, towards the end of the year, and so
4 we're going to need to move. Commercial rent in Tampa has
5 increased substantially, with average rent increases 18 to 20
6 percent higher than our current amount.

7
8 We've budgeted to decrease our space, to try and offset some of
9 the sticker shock, but we do need to balance the potential cost
10 savings with the savings that we've gained over the years with our
11 ability to hold smaller meetings in our office, and so, you know,
12 that helps decrease our meeting costs, by being able to hold those
13 in our office, and so we're going to have to get creative with how
14 we use the space, but we can't get too much smaller and still be
15 able to hold meetings and get work done at the same time.

16
17 Given these increases, and the increases that we continue to
18 experience in travel and meeting room costs, you know, this just
19 becomes a balancing act. At this point, it's basically for the
20 request, and we're going to be able to charge some of the costs
21 for continued work in 2025 to this no-cost, and that will help
22 offset some of our meeting costs in 2025, and so hopefully we'll
23 meet with minimal impact, due to this level budget.

24
25 Now, in our years, because we were able to budget an increase --
26 In 2026, we've budgeted a 10 percent increase, but then, in 2027
27 and 2028, it's come back in, and so our average increase is 7.9
28 percent over that period, and we realize that we're never usually
29 funded at the highest level, and so it's within reason of what we
30 hope to expect. All total, our request is going to be \$19,408,000,
31 and that's where we stand.

32
33 **CHAIRMAN SPRAGGINS:** Okay. Any questions on it? One thing I would
34 ask is, with the level funding for 2025, Carrie, are we okay to
35 operate? We have no problem operating with level funding for 2025?

36
37 **EXECUTIVE DIRECTOR SIMMONS:** I think we feel confident that we'll
38 be okay, because we have a little bit of that cushion with the
39 carryover that we're going to request in the no-cost extension,
40 but we are concerned about moving, and trying to find a space, and
41 the unknown final costs of that move, and where we're going to end
42 up, but we do have some good projections, I think, in here that
43 Beth has put together, based on the market, with our advocate
44 that's been helping us.

45
46 **CHAIRMAN SPRAGGINS:** With the increased cost of everything going
47 up, and, you know, I don't know what it will be the next year, but
48 I think it was pretty tight this year for you.

1
2 **MS. HAGER:** Also, the council does actually approve our funded
3 budget annually, and so, when we talk about maybe needing an
4 increase for the states, or different things that might come up
5 throughout the period, this is not written in stone, and this is
6 just our what we are going to request, based on what activities we
7 think we're having right now. Nobody has a crystal ball up to
8 2028, and so this is not set in stone.

9
10 **CHAIRMAN SPRAGGINS:** Okay. Do we need a motion for this?

11
12 **EXECUTIVE DIRECTOR SIMMONS:** Yes, Mr. Chair. That would be great.
13 Again, we'll bring you the annual budgets, and normally we don't
14 get more than a 1 percent increase annually, and so this is very
15 optimistic, but, you know, aim for the skies, and see what you
16 get, right?

17
18 **CHAIRMAN SPRAGGINS:** Well, we thank you all, and thank you for
19 putting this together, and could I get a motion to approve the
20 four-year budget for 2025 to 2028? Mr. Strelcheck.

21
22 **MR. ANDY STRELCHECK:** I'm not on your committee, but I just wanted
23 to talk about, obviously, the budget, and so, if you've seen the
24 House or Senate marks this year, the House mark is I think a 25
25 percent cut to the Fisheries Service budget, and it does have a
26 slight increase for the council budgets, and then the Senate mark
27 is a lot better for the Fisheries Service.

28
29 Both of those budgets increase the council budget by about \$1.4 to
30 \$1.7 million in total, for all councils, right, and so I think
31 it's very realistic right now to assume a level budget and,
32 obviously, see how that plays out, and so I just wanted to, you
33 know, keep you informed of kind of what we're seeing with regard
34 to Congress.

35
36 **CHAIRMAN SPRAGGINS:** Okay. Thank you. Any other questions? Okay.
37 Could I get a motion to accept the budget for 2025 to 2028? It's
38 seconded by Mr. Donaldson. All right. **Any opposition?** All right.
39 **The motion carries.** Dr. Simmons.

40
41 **STATUS UPDATE ON INFLATION REDUCTION ACT FUNDING FOR THE**
42 **REGIONAL MANAGEMENT COUNCILS**

43
44 **EXECUTIVE DIRECTOR SIMMONS:** Thank you, Mr. Chair. All right, and
45 so I think we're ready to move on to Item Number VI. We have a
46 short update on the Inflation Reduction Act funding for the
47 regional management councils, and this is informational only.

1 We put together a little table, based on some email exchanges with
2 Headquarters staff that have been helping us work through this
3 process. Just if you have any questions, let us know, and it's
4 just for your information.

5
6 I think, on August 14 or 15, we received Phase 1 of the Inflation
7 Reduction Act funding, which is the \$375,000, and I'm not sure
8 that all the regional management councils have received that yet,
9 and I think they're still trying to work that through the new
10 system. You will recall that this covers staff, a full-time staff
11 member, throughout this project cycle, and so you can see that
12 there with Phase 1 and how that's divided up annually.

13
14 We were told, for the remaining of the Phase 2 proposal, what we
15 would be funded, and pretty much everything that we asked for,
16 except for the summit. We had in there that we were going to do
17 a summit looking at, you know, having a lot of different state and
18 federal partners involved, and I think it was like a seventy-five-
19 person commitment, and it was going to be a big symposium, and so
20 that was not -- That was not funded with this effort, and I think
21 we were going to focus on red tide originally, but we did receive
22 information that we will have funding of part of Phase 2 for a
23 technical administrative staff member. You can see that line there
24 with the blue, and also meeting support, and so there's several
25 outreach meetings planned for this component, as we work through
26 our ecosystem plan and our fisheries issues, fishery ecosystem
27 issues.

28
29 They also funded the social science contractor that's going to
30 help us develop that stakeholder engagement and then a contractor
31 to conduct a rigorous review of other regional management councils,
32 as far as regulatory processes, via Magnuson and NEPA, that could
33 help us try to streamline what we're doing.

34
35 The contractor is going to give us that information, and then we'll
36 present it to the SSC, and the council, and decide what we can try
37 to move forward through our process, and so that's all kind of
38 tied up there, and so we're expecting this funding to come in --
39 I believe we were told like March of 2025. If there's any
40 questions, and hopefully everyone can follow, because I know you
41 haven't seen the proposal since January, or something like that.

42
43 **CHAIRMAN SPRAGGINS:** Okay. Any questions? On the record, we would
44 like to thank NOAA for giving us the money, and getting it to us,
45 and I think we're one of the few councils that has received it at
46 this time, and is that correct? So we thank you all very much,
47 Mr. Strelcheck, for everything you all are doing in helping us get
48 this money, because it will be definitely spent the right way. Do

1 we need a motion to do anything with this, or we're good with it?

2

3 **EXECUTIVE DIRECTOR SIMMONS:** No, Mr. Chair. It's just
4 informational. I just wanted to see if anybody had any questions
5 or feedback.

6

7 **CHAIRMAN SPRAGGINS:** Okay. Dr. Simmons, do you have anything else?

8

9 **EXECUTIVE DIRECTOR SIMMONS:** Since we have some time, I wanted to
10 tell the committee, and the council, that we had a two-day NOAA
11 Headquarters site visit in our office, and they're going around to
12 all the regional management councils.

13

14 They said it's not an audit, but it was a lot like an audit. They
15 were there for two days, but they gave us a lot of good feedback,
16 in working through our process, and you'll be seeing some changes
17 with the handbook that they're recommended, as well as the SOPPs,
18 that we'll bring back eventually, and just, you know, our forward-
19 facing things on our website, to make sure that our processes are
20 well laid out, and our procedures, and they're clear to everybody
21 on what we're doing.

22

23 It was a few things on travel and stuff like that, and so we were
24 supposed to get a report on that, six weeks after they visited,
25 which is shortly, I guess, and so we'll bring that to the committee
26 or the council, as appropriate, but you'll be seeing some of that
27 kind of trickling through all our different handbooks and SOPPs
28 and things like that.

29

30 **CHAIRMAN SPRAGGINS:** Okay. Yes, Mr. Donaldson.

31

32 **MR. DONALDSON:** So, Carrie, who did you meet with? Was it with
33 the grants management folks, or NOAA Fisheries, and do you know?
34 I'm just curious.

35

36 **EXECUTIVE DIRECTOR SIMMONS:** Andy, you probably know the division,
37 off the top of your head, and it was Dan Namur's staff, I believe.

38

39 **MR. DONALDSON:** Okay. Thanks.

40

41 **CHAIRMAN SPRAGGINS:** Okay. Any other business for the
42 Administrative/Budget Committee?

43

44 **EXECUTIVE DIRECTOR SIMMONS:** It was the NMFS Financial Division of
45 the Office of Management and Budget.

46

47 **CHAIRMAN SPRAGGINS:** Okay. Any other business? If not, Mr.
48 Chairman, I think that I'm going to set a precedent that we turn

1 back forty-one minutes of our time, and hopefully that will
2 continue, but that concludes our meeting.

3

4 (Whereupon, the meeting adjourned on August 19, 2024.)

5

6

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