

**GULF COAST ECOSYSTEM
RESTORATION COUNCIL
FISCAL YEAR 2019
PROPOSED
OPERATING BUDGET**

AUGUST 7, 2018



START-UP TO CURRENT OPERATIONS

FY 2013-2018: Start up to Steady-State Operations

- ❖ **Grow from two detailees to current staff of 21.5 FTE**
- ❖ **Administrative and grant infrastructure put in place**
- ❖ **Two FPLs approved / grants and IAAs awarded**
- ❖ **Three PSEPs and three SEPS approved;**
- ❖ **Comprehensive Plan updated**
- ❖ **Enterprise risk management program established**
- ❖ **Collaboration activities in support of FPL 3 commenced**

FY 2019:

- ❖ **Continue to collaborate towards FPL 3**
- ❖ **Re-engineer FPL proposal and application process**
- ❖ **Migrate RAAMS to new federal automated system**



FY 2019 PROPOSED BUDGET OVERVIEW

- **Council has demonstrated fiscal responsibility through prudent and conservative management of its operations.**
 - The Council brought \$2.1 million in operational carry-forward funds to FY 2018.
- **The FY 2019 budget request for new funds is 3.35% less than the FY 2018 budget request.**
 - FY 2019: \$5,762,391
 - FY 2018: \$5,962,410
 - reduction: < \$ 200,019 >
- **The FY 2019 budget will utilize \$585,985 of carry-forward funds to cover selected FY 2019 requirements.**
 - Admin Expense category: \$ 194,080
 - Program Expenses category: \$ 391,905



FY 2019 PROPOSED BUDGET OVERVIEW

- **Major Budget Changes:**

- **Salaries and staffing adjustments:**

- Acquire administrative support through contracts – *increase*
- Realign ASA position to financial analyst position – *increase*
- Realign administrative analyst position to program support – *no change*

- **Administrative and Human Resources MOUs**

- Procurement system/support increased volume – *increase*
- HR automated system completed in FY 2018 – *reduction*

- **Program Costs, RAAMS and Travel**

- BAS reviews – use recouped FY 2018 contract funds – *reduction*
- Data and collaboration tools – use carry-over – *reduction*
- RAAMS hosting and licensing – use carry-over – *reduction*
- Travel for collaboration and site visits - *increase*

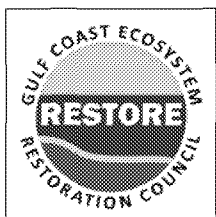
(Note: see slides 17-20 for detailed discussion of line item budget changes)

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FISCAL YEAR 2019/2018 SUMMARY OPERATING EXPENSE FUNDS REQUEST

BUDGET CATEGORIES	FY 2019 FUNDS REQUEST for FY 2019 BUDGET	FY 2018 APPROVED BUDGET	INCREASE/ DECREASE	PERCENT CHANGE
Total Salaries and Benefits	\$ 3,611,762	\$ 3,521,186	\$ 90,576	2.57%
Administrative Services MOUs	473,461	407,425	66,036	16.21%
Facilities MOUs	46,000	53,000	(7,000)	-13.21%
Human Resources MOUs	122,563	250,600	(128,037)	-51.09%
IT Contracts and MOUs	158,025	145,400	12,625	8.68%
Miscellaneous Operating Expenses	54,000	84,500	(30,500)	-36.09%
Program Expenses and MOUs	583,012	574,786	8,226	1.43%
RAAMS Contracts and MOUs	312,340	642,713	(330,373)	-51.40%
Travel	401,229	282,800	118,429	41.88%
TOTAL NON-PAYROLL EXPENSES	\$ 2,150,630	\$ 2,441,224	\$ (290,594)	-11.90%
GRAND TOTALS	\$ 5,762,392	\$ 5,962,410	\$ (200,018)	-3.35%



PROPOSED USE OF CARRY-FORWARD

- **One time costs / Costs that will not recur:**

• Metadata Tool Development	\$ 17,335	<i>(prog)</i>
• Collaboration Tool Development	34,550	<i>(prog)</i>
• RAAMS Hosting	175,650	<i>(prog)</i>
• RAAMS Licensing	69,370	<i>(prog)</i>
• Records Mgmt Program Development	100,000	<i>(admin)</i>

- **Recurring costs funded one time from carry-forward:**

• BAS Reviews (\$95K first year recovery)	95,000	<i>(prog)</i>
• Contracted administrative support	<u>94,080</u>	<i>(admin)</i>

- **Total Use of Carry-Forward for Operating Costs**

\$ 585,985



CARRY-OVER AVAILABLE FOR RAAMS REPLACEMENT

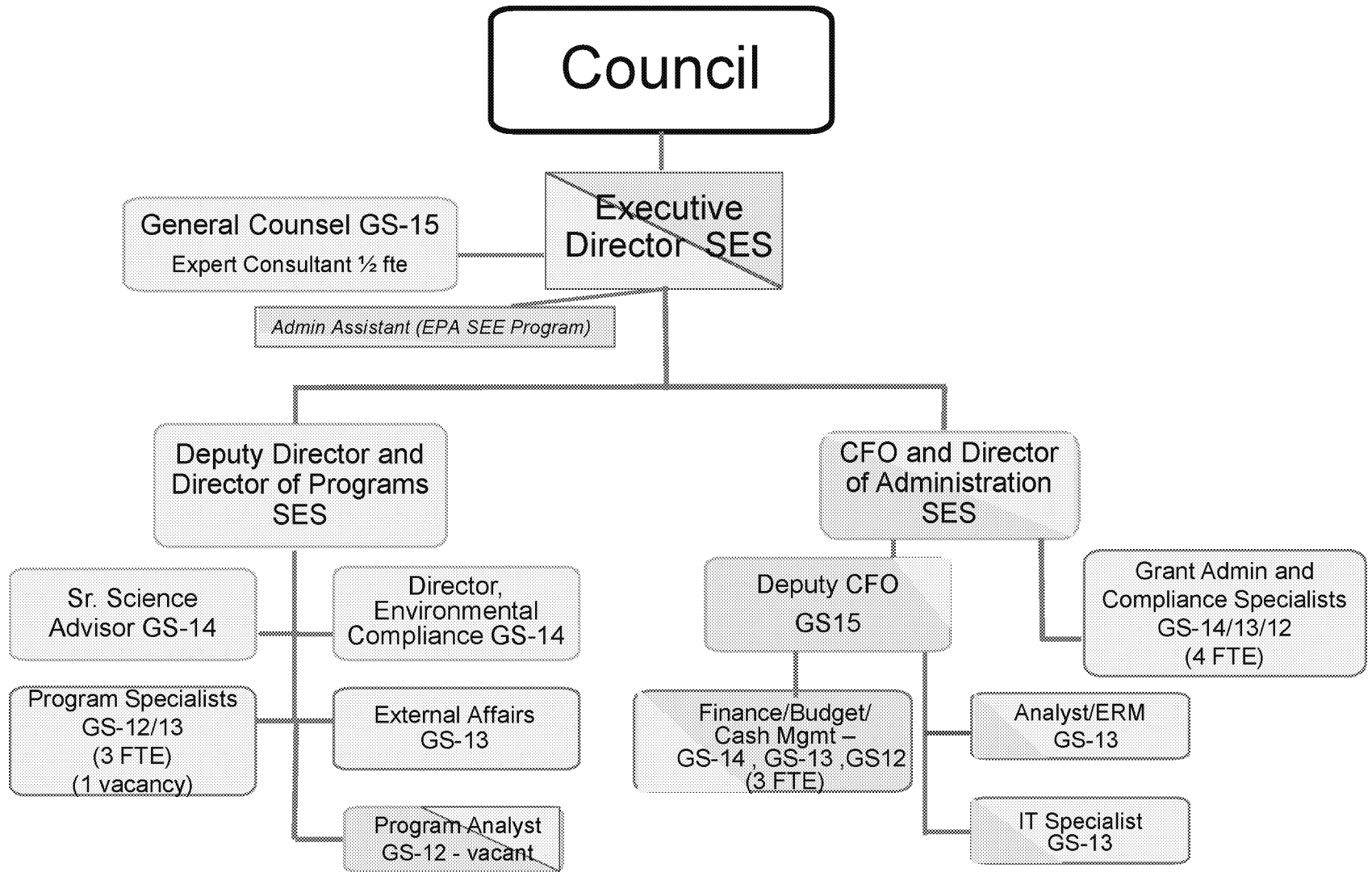
- **Use carry-over funds to develop and implement new grants system**
 - Projected system costs will be available and briefed in September
- **Current program expense carry-over funds:**
 - Program expense funds available \$ 1,706,397
 - Funds to be used for FY 2018 < 391,905 >
operating expenses
- **Balance of carry-forward funds \$ 1,314,492**
available for system replacement

BACKGROUND INFORMATION

Gulf Coast Ecosystem Restoration Council
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FY 2019 ORGANIZATION/STAFFING



21.5 positions /
MOU support

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- Blue denotes program funded
- Red denotes admin funded



CURRENT 3% ADMIN EXPENSE STATUS

Comprehensive Plan Total Deposits as of 6/30/2018 **\$428,475,506**

• *Including interest earned and applied*

3% Pool **12,854,265**

3% Drawn Down (apportioned) **< 6,398,400 >**

Balance Available **\$ 6,455,865**

- *Admin funds drawn-down as a percent of total deposited Comprehensive Plan Trust Funds:* **1.5%**
- *Current recurring admin expenses per year:* **\$1.5 M**
- *Portion of annual BP payment that is Council admin:* **\$2.7 M**



Council 3% ADMIN PROJECTIONS

TOTAL PROJECTED TRUST FUND DEPOSITS

Comprehensive Plan **\$1,611,923,782**

- Including interest earned as of 6/30/2018

3% Pool **48,357,713**

3% Projected Expense through FY2040

< 47,102,622 >

Balance Available **\$ 1,255,091**

- *Admin funds expense projection as a percent of total Comprehensive Plan Trust Funds:* **2.92%**

OPERATING EXPENSE PRIOR YEAR PLUS PROJECTION TO 2040 (28 YR)

\$M	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20		FY34	FY35	FY36	FY37	FY38	FY39	FY40	28 years
FTE	0	5.4	11.4	17.6	21.1	21.5	21.5	21.5		21.5	19	18	17	15	11	8	TOTAL
SALARIES		0.86	1.74	2.69	3.37	3.52	3.61	3.71		4.40	3.91	3.78	3.62	3.27	2.48	1.88	95.89
OP EXP	0.36	1.10	1.81	1.58	2.08	2.44	2.15	3.00		3.46	3.04	2.97	2.81	2.74	2.73	2.67	75.56
TOTAL	0.36	1.96	3.55	4.27	5.45	5.96	5.76	6.71		7.86	6.75	6.75	6.43	6.01	5.21	4.55	171.45
Admin Exp. Breakout	0.36	0.9	1.2	1.1	1.7	1.4	1.4	1.7		2.1	2.0	2.0	1.8	1.8	1.8	1.4	47.10
																	2.9%

Gulf Coast Ecosystem Restoration Council
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7/7/2017

12



LONG TERM BUDGET PLANNING CONSIDERATIONS

- **Twenty Seven Year Projection Assumptions and Planning Considerations:**
 - ◆ FY2031 last year of BP payment schedule
 - ◆ All grants awarded and closed by FY 2040
 - ◆ Grants awarded in FY31 must be closed out within nine years
 - ◆ Planning Considerations:
 - ◆ Timing of grants with long completion times
 - ◆ Timing of grants with long-term operations and maintenance costs
 - ◆ From last payment of \$91M:
 - ◆ Must reserve at least \$50M for FY32-FY40 operations
 - ◆ Should reserve funds for contingencies
 - ◆ For every year grants are open beyond FY2040, add \$5-6M per year to total and reserved operations costs
 - ◆ Amount dependent on volume of grants open in the out-years



Detailed FY19 Operating Budget

BUDGET DETAIL	FY18 APPROVED BUDGET	ADMIN BUDGET	PROGRAM BUDGET	FY19 BUDGET REQUEST	ADMIN BUDGET	PROGRAM BUDGET	INCREASE/DECREASE	PERCENT CHANGE
Salaries	2,634,164	684,527	1,949,637	2,700,504	671,754	2,028,750	66,340	
Benefits	887,022	230,503	656,519	911,258	226,634	684,624	24,236	
Accrued Leave		-	-				-	
Total Salaries and Benefits	3,521,186	915,030	2,606,156	3,611,762	898,388	2,713,374	90,576	2.57%
ARC Procurement Services	24,474	7,171	17,303	75,069	22,520	52,549	50,595	
ARC travel svcs	12,855	3,767	9,088	21,777	6,533	15,244	8,922	
OIG-Audit expense	85,000	24,907	60,093	85,000	75,000	10,000	-	
ARC general accting/budget/payroll	285,096	285,096	0.00	289,115	289,115	-	4,019	
EPA SEE PROGRAM (IAA funded bi-annually)	-	-	-	-	-	-	-	
National Associates Inc (Contractor Adm Spt)	-	-	-	[94,080]				
Transerve Employee Benefits	-	-	0.00	2,500	1,250	1,250	2,500	
Administrative Services MOUs	407,425	320,941	86,484	473,461	394,418	79,043	66,036	16.21%
Security DHS	3,000	879	2,121	3,000	879	2,121	-	
Office space GSA Rent	40,000	11,721	28,279	38,000	11,400	26,600	(2,000)	
Office equipment	10,000	2,930	7,070	5,000	1,500	3,500	(5,000)	
Facilities MOUs	53,000	15,530	37,470	46,000	13,779	32,221	(7,000)	-13.21%
USDA NFC Payroll	2,100	2,100	-	2,100	2,100	-	-	
EPA Executive Resourcess	18,500	-	18,500	18,500	5,550	12,950	-	
Treasury HR Connect transition services	125,000	36,628	88,372	-	-	-	(125,000)	
Personnel security svcs (background checks)	5,000	1,465	3,535	13,700	4,110	9,590	8,700	
ARC HR general services	100,000	29,302	70,698	74,063	22,219	51,844	(25,937)	
USPS EEO Services Support	-	-	-	500	150	350	500	
DOI PIV & Background check	-	-	-	13,700	4,107	9,593	13,700	
Human Resources MOUs	250,600	69,495	181,105	122,563	38,236	84,327	(128,037)	-51.09%



Detailed FY19 Operating Budget

BUDGET DETAIL	FY18 APPROVED BUDGET	ADMIN BUDGET	PROGRAM BUDGET	FY19 BUDGET REQUEST	ADMIN BUDGET	PROGRAM BUDGET	INCREASE/DECREASE	PERCENT CHANGE
Info Technology (Email-NOAA)	3,000	879	2,121	4,140	1,242	2,898	1,140	
Cellphone/Phone services/ Internet	35,000	10,256	24,744	35,000	10,500	24,500	-	
Equipment refresh (Laptops)	22,400	6,564	15,836	22,400	6,564	15,836	-	
IT Managed Services	38,000	11,135	26,865	45,644	13,693	31,951	7,644	
IT Security requirements	14,000	4,102	9,898	14,000	4,102	9,898	-	
G Suite Eas	18,000	5,274	12,726	-	-	-	(18,000)	
MTIPS w/ VPN	15,000	4,395	10,605	33,468	10,040	23,428	18,468	
Phone Lines (AT&T and Cox)	-	-	-	1,817	545	1,272	1,817	
Conferencing (Uber and Goto Meeting)	-	-	-	1,556	467	1,089	1,556	
IT Contracts MOUs	145,400	42,605	102,795	158,025	47,153	110,872	12,625	8.68%
Misc other svc	20,000	5,860	14,140	15,000	4,500	10,500	(5,000)	
Supplies/printer toner/etc	40,000	11,721	28,279	15,000	4,500	10,500	(25,000)	
Training	22,000	6,447	15,553	22,000	6,447	15,553	-	
Mail and transportation of things	2,500	733	1,767	2,000	600	1,400	(500)	
MISC Operating Expense MOUs	84,500	24,761	59,739	54,000	16,047	37,953	(30,500)	-36.09%
GOMA Cross Agency Tracker	90,000	-	90,000	52,500	-	52,500	(37,500)	
BAS reviews [reduced by \$95K - yr 1 recovery]	125,000	-	125,000	30,000	-	30,000	(95,000)	
ODP-DMP support USGS	55,505	-	55,505	34,307	-	34,307	(21,198)	
GIS Svs, website sytem admin, security	33,031	-	33,031	263,665	-	263,665	230,634	
Metadata Tool development / Support	34,500	-	34,500	[17,335]	-	-	(34,500)	
Collaboration Tool / APP MOU	60,400	-	60,400	[34,550]	-	-	(60,400)	
NOAA MOU for Graphics	32,500	-	32,500	32,701	-	32,701	201	
Meta Data Tool training/support NOAA NCEI	65,000	-	65,000	64,799	-	64,799	(201)	
Principals/Public meetings and Collaboratories	53,350	-	53,350	-	-	-	(53,350)	
Conference attendance fees	10,500	3,078	7,422	15,040	2,820	12,220	4,540	
Land Appraisal	10,000	-	10,000	10,000	-	10,000	-	
Multi-media/printing -PE Materials	5,000	-	5,000	10,000	-	10,000	5,000	
Tribal Support with DOI	-	-	-	70,000	-	70,000	70,000	
Program Expenses/MOUs	574,786	3,078	571,708	583,012	2,820	580,192	8,226	1.43%



Detailed FY19 Operating Budget

BUDGET DETAIL	FY18 APPROVED BUDGET	ADMIN BUDGET	PROGRAM BUDGET	FY19 BUDGET REQUEST	ADMIN BUDGET	PROGRAM BUDGET	INCREASE/DECREASE	PERCENT CHANGE
Grants system - IT and helpesk - contract	307,020	-	307,020	312,340	-	312,340	5,320	
Grant System hosting USGS updated cost	209,150	-	209,150	[175,650]		[175,650]	(209,150)	
Grants system-Altum - contract	126,543	-	126,543	[69,370]		[69,370]	(126,543)	
RAAMS	642,713	-	642,713	312,340	-	312,340	(330,373)	-51.40%
Travel	282,800	26,000	256,800	401,229	34,340	366,889	118,429	41.88%
Travel	282,800	26,000	256,800	401,229	34,340	366,889	118,429	41.88%
TOTAL NON-PAYROLL EXPENSES	2,441,224	502,410	1,938,814	2,150,630	546,793	1,603,837	(290,594)	-11.90%
GRAND TOTALS	5,962,410	1,417,440	4,544,970	5,762,392	1,445,181	4,317,211	(200,018)	-3.35%



OPERATING EXPENSE INCREASES

- **Salaries and Benefits (Labor):** **+\$90,576**
 - Small 2.5% increase
 - Expect to be fully staffed with 21.5 FTE plus inflation impacts increase
Reduction in lapse rate
 - Change in COLA / step increases / difference
in actual salary from budgeted salary
 - Conversion of Admin Assistant to Financial Analyst

- **Admin Services, Facilities, HR MOUs** **-\$69,001**
 - HR and Facilities decrease due to one time HR connect cost in FY18
and reduction in Office equipment
 - Admin has increase due to increase in ARC MOU services for
contracts and travel based on actual FY18 usage and NAI contract
support
 - Will cover NAI contractor \$94,080/ Records Management contract
\$100,00 (est.) with carry forward.

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OPERATING EXPENSE INCREASES

- **IT Contracts / MOUs :** **+\$12,624**
 - **MTIPS / VPN : increase \$18,468**
 - ◆ Allows access to financial system remotely, increases efficiency of fiscal support to Council. Increased AT&T cost in FY19
 - **G suite Eas : decrease 18,000**
 - ◆ This funding was not executed in FY18. It was a contingency for email if we were not able to extend our current agreement for G-We were successful and Gsuite has increased **\$1,140** from FY18 .
 - **IT Managed Services: increase \$7,644**
 - ◆ Security software from provider required by FISMA. This support is critical to provide IT support remotely to our geographically dispersed staff.
 - **UBER Conferencing/ Goto Meeting : increase \$3,372**
 - ◆ Required to conduct business, Conference lines were provided by Commerce and we now bear the cost. We have used UBER at a fraction of the cost of major providers.
 - ◆ **Misc and Supplies : decrease -\$30,500**



OPERATING EXPENSE INCREASES

- **Program MOUs:** **+\$8,226**
 - **GOMA tracker reduced : Decrease \$37,500**
 - ◆ Reduced from \$125K in FY18 to \$52,500 due to reimbursable agreements
 - **BAS Appraisal : Decrease \$95,000**
 - ◆ Will apply \$95K in funding de-obligated from FY18 Contract to BAS
 - **USGS :GIS, Website hosting, Security lines: net Increase \$209,436**
 - ◆ The real increase from FY18 is \$41,664. \$350,263 of support for FY18 was covered in 3 year MOU starting in FY15. We will now use one year MOUs
 - **Metadata & Collaboration Tool lines: Decrease \$ 94,900**
 - ◆ Will apply Carry Forward funds resulting in reduction from FY18 cost
 - **Public Meetings/Collaboratories lines: decrease \$53,350**
 - ◆ Reduction in budgeted collaboration
 - **DOI Tribal Support : increase \$70,000**
 - ◆ New requirement for better tribal outreach and support
 - **PE materials, conference fees, : Increase \$9,540**
 - ◆ Small increase in conference fees multi media



OPERATING EXPENSE INCREASES

- **RAAMS MOUs:** **-\$330,373**
 - Small increase in Grants System Help desk contract of \$5,320
 - MOU with HHS for new Grants Management System Fit Gap Analysis is still in progress. There will be more transition and cost data to follow.

- **Travel:** **+\$118,429**
 - Net increase due to addition of program collaboration travel.
 - Increase in Site visit and recipient assistance visits



BUDGET ASSUMPTIONS

■ Expenses

- ◆ Out-year expenses assume steady-state operations; known changes factored in.
- ◆ Accounting, payroll, human resources, procurement, website, and travel systems/services.
 - ◆ IT will be managed with internal staff overseeing contracts for services and IT security.
- ◆ Grant management function performed in-house using externally sourced and hosted automated grant management system.
- ◆ Minimum staff needed to accomplish requirements in statute.
 - ◆ Leverage resources of Council members to meet surge requirements
- ◆ Office footprint is small – majority of staff will telework.
 - ◆ Leverage cloud collaboration tools.
- ◆ Expenses inflation rate: 1.5%
- ◆ Salary/cost of living increase rate: GS – 1.75% then lowered to 1.5% in FY28 due to tenure of staff
- ◆ Length of operations based on 28 years – FY 2013 to FY 2040