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August 4, 2015

### MEMORANDUM

**TO:** Fish and Wildlife Committee members

**FROM:** Council Staff

**SUBJECT:** Discussion of Budget Oversight Group (BOG) spending history

### BACKGROUND:

**Presenter:** Council staff will present a brief overview of the spending associated with the Budget Oversight Group (BOG) placeholder for Fiscal Years 2008 – 2015.

**Relevance:** This presentation is for information purposes as it relates to Council's effort to secure cost savings in the Program for funding emerging priorities.

**Workplan:** This presentation is associated with cost savings activities of the Council's Annual Work Plan, Section 2b.

**Background:** In 2004, Bonneville and the Council formed a budget oversight group (BOG) to conduct a budget tracking process. The principle role of the BOG is to validate whether a change request by a fish and wildlife Program project sponsor is a budget and/or scope change, and to categorize the request in order to determine further action.

Since 2004, the BOG process has been updated numerous times to be more proactive, coordinated (internally and externally), and to provide a more rigorous review of the sponsors' requests. An example of an update occurred in May 2008 when the Council adopted a threshold for within-

year budget adjustment management. Bonneville has generally dedicated \$1 million in each fiscal year to allocate to BOG funding requests.

As part of the Council's cost savings subcommittee process, staff initiated a review of BOG spending since FY2008 – which coincides with the initiation of the Accords and 2008 FCRPS Biological Opinion. Potentially unused expense funds associated with the one million dollar BOG placeholder for within year requests could be a source for funding emerging priorities. The Council could choose to take a calculated risk to shift 2016 BOG funding toward emerging priorities.

Table 1 summarizes the balance of the BOG placeholder for Fiscal Year 2008 – 2015. Generally, there is a remaining balance left at the end of the year, but if the Council is willing to take a risk it seems that for short duration type priorities there is an amount that could be used in Fiscal Year 2016. The Council and Bonneville could modify the BOG process to reflect budgetary changes and develop a targeted solicitation as part of the first and second quarters of the fiscal year for time deliverable objectives associated with the emerging priorities. It is important to note that securing BOG funds carries a certain level of risk, but as the Fiscal Year proceeds that risk lessens.

Table 1: Summary of funds remaining from the BOG placeholder for Fiscal Year 2008 to 2015.

Fiscal Year	BOG Placeholder	Category <sup>1</sup>			BOG Budget Balance
		Emergency	Quarterly Review	New Start	
<b>2008<sup>2</sup></b>	\$2,000,000	\$ 50,000	\$1,819,588	\$ 463,282	(\$332,370)
<b>2009</b>	\$2,000,000	\$ 0	\$1,822,291	\$ 118,469	\$ 59,240
<b>2010</b>	\$1,000,000	\$ 0	\$ 566,289	\$ 300,000	\$ 133,711
<b>2011</b>	\$1,000,000	\$ 0	\$ 372,928	\$ 89,921	\$ 537,151
<b>2012</b>	\$1,000,000	\$ 100,165	\$ 593,689	\$ 12,022	\$ 294,124
<b>2013<sup>3</sup></b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>2014</b>	\$1,000,000	\$ 602,500	\$ 117,000	\$ 0	\$ 280,500
<b>2015<sup>4</sup></b>	\$1,000,000	\$ 366,745	\$ 28,531	\$ 0	\$ 604,724

More Info:

<sup>1</sup> Categories were simplified into the three categories in Table 1, by consolidating under Quarterly (e.g., threshold and category review) to account for the BOG process being updated in FY 2008, 2011 and 2014.

<sup>2</sup> FY2008 reflects new BiOp work for which there was no BiOp placeholder at the time, hence a deficit figure for the BOG balance. By FY2010 through FY2012 the BOG budget and BiOp money existed in separate placeholders. BOG placeholder stood at \$1 million and the BiOp placeholder was \$2 million.

<sup>3</sup> FY2013 was the year of the "budget crisis." BPA eliminated the BOG placeholder and no BOG requests or meetings took place.

<sup>4</sup> The FY 2015 BOG budget balance might not reflect the final figure at the close of the fiscal year

- [http://www.nwcouncil.org/fw/program/2014-12/program/partsix\\_implementation/ii\\_investment\\_strategy/](http://www.nwcouncil.org/fw/program/2014-12/program/partsix_implementation/ii_investment_strategy/) - Program language reference, page 116