

PROPANE EDUCATION RESEARCH COUNCIL
2021 PROPOSED BUDGET
BUDGET SUMMARY

M. EASON
November
2020

	2020 Approved Budget	2021 Budget Proposal	Variance Favorable (Unfavorable)
REVENUES:			
Assessment Collections	\$ 41,854,183	\$ 41,950,000	\$ 95,816
Less: State Rebates	\$ (8,370,837)	\$ (8,390,000)	\$ (19,163)
Net Assessment Revenue	\$ 33,483,347	\$ 33,560,000	\$ 76,653
Propane Web Services Revenue	\$ 12,000	\$ 12,000	\$ -
Investment Income	\$ 200,000	\$ 431,479	\$ 231,479
CETP Certification	\$ 610,000	\$ 142,250	\$ (467,750)
Total Revenues	\$ 34,305,347	\$ 34,145,729	\$ (159,618)
Fulfillment Operation			
Sales Revenue		\$ 930,248	\$ 930,248
Cost of Goods Sold		\$ (629,153)	\$ (629,153)
Gross Profit	\$ -	\$ 301,095	\$ 301,095
Fulfillment Operating Expenses		\$ (146,800)	\$ (146,800)
Fulfillment Net Income	\$ -	\$ 154,295	\$ 154,295
EXPENDITURES:			
Expenses			
Administrative Expenses	\$ 2,567,488	\$ 2,856,064	\$ 288,576
Other Expenses:			
Assessment & Collections	\$ 90,000	\$ 90,000	\$ -
Depreciation Expenses	\$ 60,000	\$ -	\$ (60,000)
Total Other Expenses	\$ 150,000	\$ 90,000	\$ (60,000)
Total expenses	\$ 2,717,488	\$ 2,946,064	\$ 228,576
Program Funding			
Operating programs	\$ 27,420,500	\$ 26,020,500	\$ (1,400,000)
Program Labor	\$ 4,567,213	\$ 4,857,611	\$ 290,398
Program Benefits	\$ 750,240	\$ 883,200	\$ 132,960
IT Program Support	\$ 709,766	\$ 742,649	\$ 32,883
Total Program Funding	\$ 33,447,719	\$ 32,503,960	\$ (943,760)
TOTAL EXPENDITURES	\$ 36,165,207	\$ 35,450,024	\$ (715,183)
Add De-obligations	\$ 500,000	\$ 500,000	
Increase/(Decrease) in Net Assets	\$ (1,359,861)	\$ (650,000)	\$ 709,860
Capital Budget:	\$ 50,000	\$ -	

Administrative Expense Budget

	2020 Budget	2021 Proposed Budget	Change
Salaries & Taxes	\$ 806,602	\$ 937,885	\$ 131,283
Health Ins., Retirement & Other Benefits	\$ 125,685	\$ 168,730	\$ 43,045
Accounting & Bank Fees	\$ 374,034	\$ 382,400	\$ 8,366
Computer Maintenance & Services	\$ 199,277	\$ 271,236	\$ 71,959
Dues & Professional Training	\$ 44,000	\$ 44,000	\$ -
Equipment Maintenance	\$ 2,000	\$ -	\$ (2,000)
Insurance - Business	\$ 60,000	\$ 89,000	\$ 29,000
Lease Expense	\$ 463,590	\$ 449,464	\$ (14,126)
Legal Fees	\$ 25,000	\$ 25,000	\$ -
Meeting & Travel Expenses	\$ 151,500	\$ 187,850	\$ 36,350
Miscellaneous	\$ 10,000	\$ 10,000	\$ -
Business Taxes	\$ 17,000	\$ 3,000	\$ (14,000)
Office Supplies	\$ 25,000	\$ 24,900	\$ (100)
Postage & Shipping	\$ 9,000	\$ 9,800	\$ 800
Printing & Promotions	\$ 6,000	\$ 3,850	\$ (2,150)
Professional Services	\$ 146,000	\$ 101,000	\$ (45,000)
Subscriptions & Reference Materials	\$ 5,000	\$ 5,400	\$ 400
Telephone Services	\$ 48,800	\$ 73,800	\$ 25,000
Video/Audio/Photography	\$ 49,000	\$ 68,750	\$ 19,750
Total Admin Expenses	\$ 2,567,488	\$ 2,856,065	\$ 288,577

IT Expense Budget

	2020 Budget	2021 Proposed Budget	Change
Website Related	\$ 55,914	\$ 138,452	\$ 82,538
Customer Relationship Management	\$ 31,428	\$ 56,000	\$ 24,572
Dashboards/Grant Management System	\$ 222,224	\$ 171,197	\$ (51,027)
Professional IT Services	\$ 396,000	\$ 360,000	\$ (36,000)
Misc Software/Hardware Repairs	\$ 4,200	\$ 17,000	\$ 12,800
Total IT Program Expenses	\$ 709,766	\$ 742,649	\$ 32,883

2021 Proposed Program Budget Detail

		FY20 Budget	FY21 Draft Budget	
Market	Activity		Total	Variance
Agriculture				
	Business Development	\$40,000	\$285,000	\$245,000
	Marketing / Communications	\$950,000	\$707,000	(\$243,000)
	Product Development	\$1,103,000	\$1,105,500	\$2,500
	Safety & Training	\$50,000	\$0	(\$50,000)
	Total	\$2,143,000	\$2,097,500	(\$45,500)
On Road				
	Business Development	\$150,000	\$590,000	\$440,000
	Marketing / Communications	\$1,475,000	\$985,000	(\$490,000)
	Market Research	\$75,000	\$0	(\$75,000)
	Product Development	\$1,821,000	\$1,610,000	(\$211,000)
	Safety & Training	\$300,000	\$150,000	(\$150,000)
	Technical Research & Training	\$0	\$325,000	\$325,000
	Total	\$3,821,000	\$3,660,000	(\$161,000)
Residential				
	Business Development	\$50,000	\$522,500	\$472,500
	Incentive Programs	\$500,000	\$0	(\$500,000)
	Marketing / Communications	\$5,230,000	\$3,762,500	(\$1,467,500)
	Market Research	\$235,000	\$0	(\$235,000)
	Product Development	\$150,000	\$375,000	\$225,000
	Safety & Training	\$425,000	\$75,000	(\$350,000)
	Technical Research & Training	\$0	\$135,000	\$135,000
	Total	\$6,590,000	\$4,870,000	(\$1,720,000)
Commercial				
	Business Development	\$35,000	\$342,500	\$307,500
	Marketing / Communications	\$820,000	\$637,500	(\$182,500)
	Product Development	\$250,000	\$350,000	\$100,000
	Safety & Training	\$50,000	\$50,000	\$0
	Technical Research & Training	\$0	\$130,000	\$130,000
	Total	\$1,155,000	\$1,510,000	\$355,000
Material Handling/Industrial				
	Business Development	\$120,000	\$365,000	\$245,000
	Marketing / Communications	\$850,000	\$545,000	(\$305,000)
	Market Research	\$50,000	\$0	(\$50,000)
	Product Development	\$550,000	\$550,000	\$0
	Safety & Training	\$50,000	\$40,000	(\$10,000)
	Technical Research & Training	\$0	\$70,000	\$70,000
	Total	\$1,620,000	\$1,570,000	(\$50,000)
Off Road				
	Business Development	\$170,000	\$255,000	\$85,000
	Incentive Programs	\$300,000	\$0	(\$300,000)
	Marketing / Communications	\$700,000	\$390,000	(\$310,000)
	Market Research	\$30,000	\$0	(\$30,000)
	Product Development	\$150,000	\$300,000	\$150,000
	Safety & Training	\$50,000	\$50,000	\$0
	Technical Research & Training	\$0	\$30,000	\$30,000
	Total	\$1,400,000	\$1,025,000	(\$375,000)
Industry				
	Market Research	\$570,000	\$352,000	(\$218,000)
	Industry Supporting Activities	\$1,419,000	\$1,320,000	(\$99,000)
	Safety & Training	\$1,476,500	\$650,000	(\$826,500)
	Business Development	\$719,500	\$0	(\$719,500)
	Technical Research	\$600,000	\$0	(\$600,000)
	Total	\$4,785,000	\$2,322,000	(\$2,463,000)
Cross Market				
	Business Development	\$425,000	\$675,000	\$250,000
	Digital Strategy & Analytics	\$400,000	\$680,000	\$280,000
	Industry Supporting Activities	\$975,000	\$2,051,000	\$1,076,000
	Marketing / Communications	\$800,000	\$956,000	\$156,000
	Market Research	\$0	\$479,000	\$479,000
	Safety & Training	\$1,476,500	\$2,300,000	\$823,500
	Technical Research & Training	\$630,000	\$625,000	(\$5,000)
	Total	\$4,706,500	\$7,766,000	\$3,059,500
Presidential Discretionary				
	Program Support	\$300,000	\$0	(\$300,000)
	Total	\$300,000	\$0	(\$300,000)
Thought Leadership				
	Environmental Thought Leadership	\$900,000	\$1,200,000	\$300,000
	Total	\$900,000	\$1,200,000	\$300,000
Grand Total		\$27,420,500	\$26,020,500	(\$1,400,000)

Fiscal Year 21 Budget Matrix	<i>Product Development</i>	<i>Business Development</i>	<i>Technical Research & Training</i>	<i>Business Marketing / Communications</i>	<i>Consumer Marketing / Communications</i>	<i>Environmental Thought Leadership</i>	<i>Industry Supporting Activities</i>	<i>Safety & Training</i>	<i>Digital Strategy & Analytics</i>	<i>Market Research</i>	<i>Market Total</i>
Agriculture	1,105,500	285,000	-	342,000	365,000	-	-	-	-	-	2,097,500
Commercial	350,000	342,500	130,000	502,500	135,000	-	-	50,000	-	-	1,510,000
Cross-Market	-	675,000	625,000	-	956,000	-	2,051,000	2,300,000	680,000	479,000	7,766,000
Industry	-	-	-	-	-	-	1,320,000	650,000	-	352,000	2,322,000
Material Handling / Industrial	550,000	365,000	70,000	310,000	235,000	-	-	40,000	-	-	1,570,000
Off Road	300,000	255,000	30,000	185,000	205,000	-	-	50,000	-	-	1,025,000
On-Road	1,610,000	590,000	325,000	557,500	427,500	-	-	150,000	-	-	3,660,000
Residential	375,000	522,500	135,000	762,500	3,000,000	-	-	75,000	-	-	4,870,000
Thought Leadership	-	-	-	-	-	1,200,000	-	-	-	-	1,200,000
Activity Total	\$4,290,500	\$3,035,000	\$1,315,000	\$2,659,500	\$5,323,500	\$1,200,000	\$3,371,000	\$3,315,000	\$680,000	\$831,000	\$26,020,500

2021 Budget - Strategic Plan Alignment

Strategic Plan Priority	Market	Activity	Strategic Score	FY20	FY21	Variance
On Road Market Growth						
	On Road	Market Research		75,000	-	(75,000)
		Product Development	30	1,821,000	1,610,000	(211,000)
		Marketing / Communications	30	1,475,000	985,000	(490,000)
		Technical Research & Trainir	30	-	325,000	325,000
		Safety & Training	30	300,000	150,000	(150,000)
		Business Development	30	150,000	590,000	440,000
Autogas Market Growth Total				3,821,000	3,660,000	(161,000)
Commercialization & Market Growth						
	Agriculture	Product Development	30	1,103,000	1,105,500	2,500
		Marketing / Communications	30	990,000	707,000	(283,000)
		Business Development	30	-	285,000	285,000
	Residential	Incentive Programs		500,000	-	(500,000)
		Market Research		235,000	-	(235,000)
		Product Development	30	150,000	375,000	225,000
		Marketing / Communications	30	4,960,000	3,762,500	(1,197,500)
		Business Development	30	25,000	522,500	497,500
	Commercial	Product Development	30	250,000	350,000	100,000
		Marketing / Communications	30	845,000	637,500	(207,500)
		Business Development	30	10,000	342,500	332,500
	Material Handling/Industrial	Market Research		50,000	-	(50,000)
		Product Development	30	550,000	550,000	-
		Marketing / Communications	30	900,000	545,000	(355,000)
		Business Development	30	70,000	365,000	295,000
	Off Road	Incentive Programs		300,000	-	(300,000)
		Market Research		30,000	-	(30,000)
		Product Development	30	150,000	300,000	150,000
		Marketing / Communications	30	800,000	390,000	(410,000)
		Business Development	30	70,000	255,000	185,000
	Cross Market	Business Development	30	600,000	675,000	75,000
Commercialization & Market Growth				12,588,000	11,167,500	(1,420,500)
Thought Leadership						
	Cross Market	Market Research	30	570,000	479,000	(91,000)
		Marketing / Communications	30	750,000	956,000	206,000
		Digital Strategy & Analytics	30	400,000	680,000	280,000
		Thought Leadership	30	900,000	1,200,000	300,000
		Technical Research & Trainir	30	630,000	625,000	(5,000)
Thought Leadership Total				3,250,000	3,940,000	690,000
Training						
	Residential	Safety & Training	30	425,000	75,000	(350,000)
		Technical Research & Trainir	30	-	135,000	135,000
	Commercial	Safety & Training	30	50,000	50,000	-
		Technical Research & Trainir	30	-	130,000	130,000
	Material Handling/Industrial	Safety & Training	30	40,000	40,000	-
		Technical Research & Trainir	30	-	70,000	70,000
	Off Road	Safety & Training	30	50,000	50,000	-
		Technical Research & Trainir	30	-	30,000	30,000
	Cross Market	Safety & Training	30	2,000,000	2,300,000	300,000
	Industry	Workforce Outreach	30	800,000	800,000	-
		Safety & Training	30	1,358,000	650,000	(708,000)
Training Total				4,723,000	4,330,000	(393,000)
Other						
	Cross Market	Industry Supporting Activities	10	719,500	1,251,000	531,500
	Industry	Industry Supporting Activities	20	1,419,000	1,320,000	(99,000)
		Market Research	10	600,000	352,000	(248,000)
	Presidential Discretionary	Program Support	10	300,000	-	(300,000)
Other Total				3,038,500	2,923,000	(115,500)
Grand Total				27,420,500	26,020,500	(1,400,000)

30	Specifically called out in strategic objectives.
20	Not specifically called out in strategic objectives, but consistent with strategic direction.
10	Operational items.