Propane Education and Research Council, Inc.
Budget for 2027

ENERGY FOR EVERYONE
propane

Propane Education and Research Council, Inc.
Budget Plan for Calendar Year 2027

The Propane Education and Research Act of 1996 (Public Law 104-284) ("PERA" or the "Act") requires the Propane Education and Research Council, Inc. (PERC) to publish a budget plan for public comment for the coming calendar year before August 1 of each year. That budget plan, according to the Act, shall include the probable costs of all programs, projects, and contracts as well as a recommended rate of assessment sufficient to cover such costs. After public review and comment and approval by a majority of Council members, PERC must submit the approved budget to the Secretary of Energy and to Congress.

This document constitutes PERC's proposed budget for the calendar year 2027 and is being published for public review and comment in accordance with PERA. Following the close of the public comment period and approval by a majority of Council members, PERC will submit the approved budget to the Secretary of Energy and to Congress.

In accordance with PERA, this budget includes functions to develop programs and projects that will result in entering into contracts or agreements for implementing the Act, including programs to enhance consumer and employee safety and training, to provide for research and development of clean and efficient propane utilization equipment, to inform and educate the public about safety and other issues associated with the use of propane, and to provide for the payment of the costs thereof with funds collected pursuant to this Act. Furthermore, this budget complies with that part of the Act requiring that issues related to research and development, safety, education, and training be given priority by the Council in the development of its programs and projects.

All resources and expenditures outlined in this budget plan will be audited by a certified public accountant shortly after said resources and expenditures are realized for 2027.

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EXECUTIVE SUMMARY

The 2027 Budget for the Propane Education and Research Council, Inc. (“PERC” or the “Organization”) is grounded in the Organization’s mission as outlined by the Propane Education and Research Act of 1996 (“PERA”) to “enhance consumer and employee safety and training, to provide for research and development of clean and efficient propane utilization equipment, to inform and educate the public about safety and other issues associated with the use of propane.” The 2027 Budget continues to build on successful programs and provides support for the 2026-2028 strategic plan initiatives.

The Summary 2027 Budget is presented below:

		2027 Budget
REVENUES		
Assessment revenue	$	45,525,000
State rebate		(9,105,000)
Net Assessment Revenue	**$**	**36,420,000**
Investment income, net	$	1,493,300
Fulfillment, net		(229,331)
Other revenue		61,400
TOTAL REVENUES	**$**	**37,745,369**
EXPENSES		
General & administrative expenses	$	2,032,184
Program expenses		38,756,926
TOTAL EXPENSES	**$**	**40,789,110**
CHANGE IN NET ASSETS	**$**	**(3,043,741)**

The 2027 Budget continues to advance the strategic transformation that the Organization undertook in 2026, refocusing on an intensive cycle of product development, focused research and streamlined communications targeting specifiers while continuing to prioritize safety, training and education. The most significant shift in budgeted resources for 2027 is the scheduled ramp-up of On-Road product development, anchored by the Nexio Class 7 Bobtail Truck and Strip Chassis for Multiple Applications and the Blue Bird Propane-Powered Type D School Bus, supported by a new Autogas Research Program. These projects are significant both for their positive impact on the propane industry and for their environmental benefits. Resources also continue to support current, relevant safety content delivered through the modular, online Propane Education Program (PEP) and the Learning Center, while technical research efforts respond to the changing engine landscape by supporting engine development, emissions characterization, renewable propane, and fuel quality research.

The budget is primarily funded with a $0.005 assessment on each gallon of odorized propane, consistent with the last increase that was effective on October 1, 2017. We have estimated that in 2027, the Organization will receive $45.5 million in assessment revenue, of which 20% will be allocated to the State Rebate Program. The budget receives supplemental funding from its investment income generated on cash balances from government securities and certificates of deposit, in addition to other income.

The planned expenses in 2027 are expected to total $40.8 million, resulting in a planned reduction in net assets of approximately $3.0 million. This planned use of reserves is deliberate and reflects the peak year of the multi-year On-Road and engine product development cycle. The application of approximately $3.0 million of reserves does not reduce the Council-designated operating reserve fund and does not adversely impact the Organization’s solvency.

The 2027 Budget continues to enhance consumer and employee safety and training, to provide for research and development of clean and efficient propane utilization equipment, and to inform and educate the public about safety and other issues associated with the use of propane, while continuing to evolve and respond to the opportunities of a changing marketplace in the Propane Industry.

STRATEGIC BUDGET ALIGNMENT

The 2027 Budget derives its prioritization of activities from the 2026-2028 Strategic Plan and the underlying strategic pillars that support the plan. The strategic plan is designed to inspire action to increase the users and uses of propane, and its pillars and metrics are summarized below:

Pillar 1 – Safety, Training, and Education: Develop professional industry and allied partner employees through the adoption of world-class safety, training, and education.

Metrics:

1. Expand the use of PEP by propane industry company employees by 20% by 2028.
2. Increase the use of PEP for refresher training to see 15% of users returning.
3. Increase the number of schools and educational institutions adopting technician training curriculum by 50% by 2028 for both Autogas Inspection & HVAC Technical Training.
4. Leverage partnerships to expand training of first responders to have an annual increase of 25%, from the previous period, of personnel directly or indirectly trained by 2028.

Pillar 2 – Growth and Commercialization: Expand propane market share by leveraging innovative technologies, commercialization, and education to deepen penetration in core markets* and displace diesel equipment.

Metrics:

1. Maintain market share in core propane markets by convincing decision makers and end users to specify propane, measured by the likelihood to specify survey.
2. Displace diesel, and other energies, through the placement of propane power generation, material handling, on-road, and other equipment, achieving a 12% increase in propane market share by January 1, 2029.

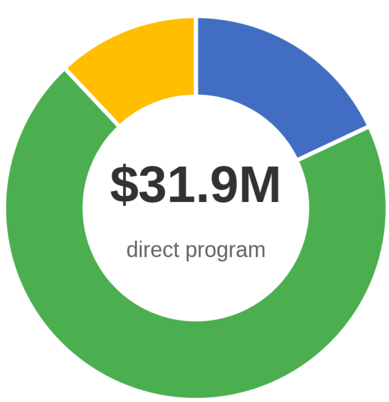
**core markets include agriculture, commercial, and residential*

Pillar 3 – Consumer Awareness: Continue to increase awareness of propane as an energy choice and its perception as reliable, affordable, and abundant by key decision makers in targeted geographic areas.

Metrics:

1. Increase reported perception of propane among key audiences by 6% from 2026 to 2028.

The 2027 Budget Plan takes this strategic direction and its supporting initiatives to prioritize the direct program-related spending elements of the budget. These direct expenditures in support of program initiatives, excluding program salaries, wages and benefits, total approximately $31.9 million under the 2027 budget. Approximately 88% of these direct program expenditures support the Safety, Training and Education and the Growth and Commercialization pillars of the strategic plan, reflecting the Organization’s continued emphasis on safety and training and on diesel displacement through product development and commercialization. The alignment of the 2027 direct program budget to the three strategic pillars is presented below:



Pillar 1 - Safety, Training & Education — **$5.9M**
World-class safety, training and education for industry & partners
18% of program

Pillar 2 - Growth & Commercialization — **$22.3M**
Diesel displacement through product development & commercialization
70% of program

Pillar 3 - Consumer Awareness — **$3.7M**
Awareness of propane as reliable, affordable and abundant
12% of program

PROPANE MARKET AND ACTIVITY BUDGET IMPACT

The Budget Plan for 2027 includes $31.9 million for direct program expenditures. This represents a $2.2 million, or 7.5%, increase in direct program expenditures compared to the 2026 budget, as detailed in the Program Activity Budget Report in Appendix II. A summary of these changes by market is presented below:

	2026 Budget	2027 Budget	Change $	Change %
Cross Market	$ 8,478,350	$ 7,169,457	$ (1,308,893)	(15.4%)
Residential	7,959,128	6,169,685	(1,789,443)	(22.5%)
On Road	3,645,455	7,984,867	4,339,412	119.0%
Propane Industry	3,075,280	3,168,319	93,039	3.0%
Agriculture	2,370,703	2,793,448	422,745	17.8%
Commercial	2,195,933	1,629,510	(566,423)	(25.8%)
Material Handling	1,080,172	1,291,702	211,530	19.6%
Off Road	889,201	1,725,581	836,380	94.1%
TOTAL BUDGET	**$ 29,694,222**	**$ 31,932,569**	**$ 2,238,347**	**7.5%**

The increase in planned direct program expenditures in 2027 is driven almost entirely by the scheduled milestones of the On-Road product development portfolio. The 2026-2028 strategic plan anticipated that the investment in On-Road product development would be greater in 2027 and 2028, and the 2027 budget reflects that ramp. At the same time, the Organization continues to streamline market communications and general awareness spending, reallocating resources toward demonstration-based research, product development, and influencing specifiers in the selection of propane.

The On-Road market increases $4.3 million, or 119.0%, to $8.0 million, the single largest driver of the 2027 budget change. This reflects the scheduled product development milestones in the Nexio Class 7 Bobtail Truck and Strip Chassis for Multiple Applications, with Nexio bringing a propane Class 7 bobtail to market in 2028, and the Blue Bird Propane-Powered Type D School Bus, slated to reach the market in 2027 as another option against competing diesel, natural gas and electric school bus technologies. The market also funds a new Autogas Research Program focused on propane dedicated and bi-fuel systems, a Paratransit & Type-A E-450 Bus project, and the On-Road share of the calibration and durability validation for the LPG DI 6.6L L8T engine. Business development in the Autogas market also expands to support added corporate-fleet trade shows, school transportation engagement, and refreshed market development and data tools.

The Cross Market budget decreases $1.3 million, or 15.4%, to $7.2 million. Cross Market activities remain centered on safety, training and education, including Learning Center Operations, CETP-to-PEP modularization and content maintenance, Propane Emergencies training, PEP Recognized Instructor sessions, Virtual Reality modules, and HVAC content updates, together with cross-market marketing and communications and the market data and research program. The decrease reflects the completion of certain 2026 safety content development, and the conclusion of the First Responder Safety Training Program with the States.

The Residential market decreases $1.8 million, or 22.5%, to $6.2 million, primarily the result of a planned reduction in consumer awareness communications spending as campaigns are refocused on propane's practical attributes of reliability, affordability and abundance. The market continues to fund the 2027 Propane Construction Research & Data Collection Program, homeowner and residential construction communications, residential market business development, and the residential share of the UTD Consortium.

The Agriculture market increases $0.4 million, or 17.8%, to $2.8 million, reflecting the shift of the Propane Agriculture (Kioti) Tractor Demonstration into the budget, with a related Off-Road allocation for commercial mowing use, the agriculture share of the initial non-road engine calibration work, continued flat funding of the Propane Farm Research Program, grain drying demand models, and new irrigation and grain-drying cost-comparison tools and segment videography for propane.com.

The Commercial market decreases $0.6 million, or 25.8%, to $1.6 million, driven by lower commercial communications spending as power-generation messaging is concentrated through specific applications in the markets they benefit. The Alternative Technology Research and Demonstration Program is expected to wind down around mid-year and a new Commercial Research Program will ramp up in coordination with business development efforts focused on commercial and industrial power generation, space and water heating, and engagement with specifiers through an expanding CEU library.

The Material Handling/Industrial market increases $0.2 million, or 19.6%, to $1.3 million, reflecting expanded business development that strengthens the demonstration program—logistics, fueling support and equipment placements with OEMs and propane retailers—together with updated collateral, photography and video assets and increased trade-show support partnering with OEMs.

The Off-Road market increases $0.8 million, or 94.1%, to $1.7 million, driven by the Caterpillar Branded Large Propane Engines power-generation work supporting data-center bridge-to-grid power, demand response and peak shaving, the Off-Road allocation of the Kioti tractor demonstration and the LPG DI 6.6L engine calibration, supported by an expanded booth presence and sponsorship at Equip Expo and a new commercial-mowing cost-comparison tool.

The change in budgeted activities across all markets is summarized in the following table:

	2026 Budget	**2027 Budget**	**Change**	**% Var.**
Communications	$ 9,780,600	$ 7,130,600	$ (2,650,000)	(27.1%)
Product Development	2,240,000	7,223,685	4,983,685	222.5%
Incentivized Research	3,410,000	4,193,000	783,000	23.0%
Safety & Training	4,716,502	3,545,900	(1,170,602)	(24.8%)
Industry Supporting Activities	2,542,000	2,851,500	309,500	12.2%
Business Development	2,445,237	2,716,148	270,911	11.1%
General/Admin & IT Allocations	2,087,380	2,161,136	73,756	3.5%
Technical Research	1,349,502	995,400	(354,102)	(26.2%)
Market Research	623,000	465,200	(157,800)	(25.3%)
Digital Strategy & Analytics	300,000	450,000	150,000	50.0%
Thought Leadership	200,000	200,000	-0-	0.0%
TOTAL BUDGET	**$ 29,694,222**	**$ 31,932,569**	**$ 2,238,347**	**7.5%**

The strategic shift in the 2027 budget priorities is clearest in the breakdown of activities. Product Development increases $5.0 million to $7.2 million, more than tripling the 2026 level, as the On-Road portfolio reaches its scheduled milestone-driven investment in engine development and vehicle certification, supported by related agriculture and off-road engine calibration work. Incentivized Research increases $0.8 million to $4.2 million with continued demonstration-based research, including the Propane Construction Research & Data Collection Program, the Autogas Research Program, and the Farm and Commercial research programs, which deliver high-quality operational data to support product development and adoption.

Communications decreases $2.7 million to $7.1 million as consumer awareness and general marketing spending is streamlined and refocused on specific, specifier-targeted applications that align with the strategic opportunities across the markets, while business-to-business communications are concentrated where they most directly support diesel displacement and commercialization.

Safety & Training decreases $1.2 million to $3.5 million; this reflects the completion of certain 2026 learning-center and content development milestones rather than a reduction in commitment and the conclusion of the First Responder Safety Training Program with the States The Organization continues to fund Learning Center Operations, the CETP-to-PEP transition and content maintenance, Propane Emergencies, PEP Recognized Instructor sessions, Virtual Reality, HVAC content updates, and incident and accident metrics and reporting.

Technical Research decreases $0.4 million to $1.0 million based on the cadence and pace of project work while continuing to support fuel and engine development, including emerging technologies research and the pilot-scale electrochemical synthesis of propane from industrial CO_2 emissions.

The program activities of the 2027 budget plan have been aligned with the 2026-2028 strategic plan. The resource allocation funds the peak of a robust On-Road product development cycle, building on years of research and product development, while continuing an emphasis on safety, education and training, sustaining technical research efforts that support commercialization trends, and communicating propane’s competitive advantages in specific applications to both consumer and business decision makers.

DETAILED LINE-ITEM BUDGET

The Detailed Line-Item Budget Report is provided in Appendix II. Budget Reports. This perspective of the budget breaks down the material individual line items of the Proposed 2027 Budget and provides comparison to the 2026 year-end forecast and the December 31, 2025 audited results.

Proposed 2027 Revenue Budget

The 2027 Budget estimates total revenues of $37,745,369, sourced from net assessment revenue of $36,420,000 (gross assessments, less the 20% allocation to fund State Rebate Programs in accordance with PERA) and $1,325,369 in other revenues, which are primarily sourced from investment income and program support services provided to state PERC foundations. The budgeted revenues are detailed in the following schedule:

	2025	2026	2027	2026F V. 2027B	
	Audited	Forecast	Budget	$ Variance	% Variance
REVENUES					
Assessment revenue	$ 48,667,438	$ 46,629,360	$ 45,525,000	$ (1,104,360)	(2.4%)
State rebate	(9,733,488)	(9,325,872)	(9,105,000)	220,872	2.4%
Net Assessment Revenue	**$ 38,933,950**	**$ 37,303,488**	**$ 36,420,000**	**$ (883,488)**	**(2.4%)**
Investment income, net	$ 1,984,726	$ 1,574,637	$ 1,493,300	$ (81,337)	(5.2%)
Fulfillment, net	(489,119)	(190,973)	(229,331)	(38,358)	(20.1%)
Other revenue	93,593	90,962	61,400	(29,562)	(32.5%)
TOTAL REVENUES	**$ 40,523,150**	**$ 38,778,115**	**$ 37,745,369**	**$ (1,032,746)**	**(2.7%)**

Gross Assessments in the 2027 Budget are $45.5 million and assume approximately 9.1 billion gallons of odorized propane in the upcoming year. This is a conservative estimate that considers the trailing history of assessments and the current trend, including 2025 audited assessment revenue of $48.7 million and the 2026 forecast of $46.6 million. The 2027 assessment budget of $45.5 million is approximately 2.4% below the 2026 forecast and below recent actual collections, reflecting a prudent planning posture for odorized propane production in the coming year considering current climate cycles.

The State Rebates are 20% of the gross assessment and are set aside for funding requests from the state and regional PERC foundations.

Investment income is budgeted at $1.49 million for the 2027 Budget. This income stream represents the interest income the Organization receives from investments of its reserves in cash, U.S. Government Securities and FDIC-insured certificates of deposit. The decrease in investment income for the 2027 budget reflects expected forecast cash balances and considers relative reinvestment rates in the market.

The Fulfillment, net, income line represents the net result of the fulfillment operation, which sells training references, marketing materials and other products primarily to propane industry members. These items are sold to the industry at approximately their direct cost and the loss represents the overhead needed to run the operation which PERC underwrites.

Other revenue represents miscellaneous income from services provided or rebates earned.

Proposed 2027 General & Administrative Expense Budget

The 2027 Budget includes $2,032,184 for general and administrative expenses. These expenses are subject to a 10% cap in accordance with PERA, and the current budgeted expenses are in compliance, comprising approximately 4.5% of gross assessment revenue. The general and administrative expense budget proposed for 2027 is as follows:

	2025	2026	2027	2026F V. 2027B	
	Audited	**Forecast**	**Budget**	**$ Variance**	**% Variance**
G&A Expenses					
Salaries & payroll taxes	$ 1,157,798	$ 1,122,124	$ 1,168,609	$ 46,485	4.1%
Benefits	193,394	144,001	149,373	5,372	3.7%
Accounting & bank fees	387,984	330,304	330,698	394	0.1%
Legal fees	288,365	235,731	130,500	(105,231)	(44.6%)
Professional services	26,260	78,191	58,668	(19,523)	(25.0%)
Computer maintenance & services	16,051	47,483	54,493	7,010	14.8%
Insurance	23,587	20,101	20,297	196	1.0%
Rent expense	87,195	20,932	20,629	(303)	(1.4%)
Other expenses	120,161	95,491	98,918	3,427	3.6%
Total G&A Expense	**$ 2,300,795**	**$ 2,094,357**	**$ 2,032,184**	**$ (62,173)**	**(3.0%)**

The decrease in general and administrative expenses for the 2027 Budget is driven primarily by lower legal fees related to ongoing contract dispute actions and professional fees related to some one-time website infrastructure costs.

Proposed 2027 Program Expense Budget

The 2027 Proposed Program Expense Budget includes $6,824,357 for personnel salaries, payroll taxes, and benefits related to supporting PERC's program activities, reflecting active headcount and the allocation of staff toward program activities. The full program expense line item 2027 Budget is presented below and compared to the 2026 forecast and 2025 audited results:

	2025	2026	2027	2026F V. 2027B	
	Audited	**Forecast**	**Budget**	**$ Variance**	**% Variance**
Program Expenses					
Personnel Program Expenses					
Salaries & payroll taxes	$ 5,141,896	$ 5,696,605	$ 5,946,809	$ 250,204	4.4%
Benefits	693,622	809,229	877,548	68,319	8.4%
Total Program Salaries & Benefits	**$ 5,835,518**	**$ 6,505,834**	**$ 6,824,357**	**$ 318,523**	**4.9%**
Direct Program Expenses					
Cross Market	$ 8,154,416	$ 9,046,457	$ 7,169,457	$ (1,877,000)	(20.7%)
Off Road	1,079,638	1,996,165	1,725,581	(270,584)	(13.6%)
Agriculture	1,450,866	3,278,739	2,793,448	(485,291)	(14.8%)
Propane Industry	3,260,134	3,108,616	3,168,319	59,703	1.9%
On Road	2,052,726	4,500,432	7,984,867	3,484,435	77.4%
Residential	9,241,036	8,371,406	6,169,685	(2,201,721)	(26.3%)
Commercial	1,312,860	2,140,516	1,629,510	(511,006)	(23.9%)
Material Handling	904,882	1,084,439	1,291,702	207,263	19.1%
Total Direct Program Expenses	**$ 27,456,558**	**$ 33,526,770**	**$ 31,932,569**	**$ (1,594,201)**	**(4.8%)**
Total Program Expenses	**$ 33,292,076**	**$ 40,032,604**	**$ 38,756,926**	**$ (1,275,678)**	**(3.2%)**

The direct program expenses are discussed and analyzed in detail in the Propane Market and Activity Budget Impact section of this document.

2027 Budget Change in Net Assets

Budgeted expenses of $40.8 million are expected to exceed planned revenues of $37.7 million in the 2027 budget, resulting in a planned reduction in net assets of approximately $3.0 million. This planned use of reserves funds the peak year of the multi-year On-Road product development cycle and does not reduce the Council-designated reserve fund or adversely impact the Organization's solvency.

APPENDIX I. PROGRAM AND ACTIVITY DESCRIPTIONS

Propane Education and Research Council (PERC) Programs

PERA requires PERC to "develop programs and projects and enter into contracts or agreements for implementing this Act, including programs to enhance consumer and employee safety and training, to provide for research and development of clean and efficient propane utilization equipment, to inform and educate the public about safety and other issues associated with the use of propane...".

The projects and initiatives described in the following sections are based on a recommendation from PERC's Budget and Finance Committee in collaboration with PERC's Executive Committee, the staff, and other sources.

Other requirements under PERA included in the program budget initiatives are as follows:

- Not less than 5 percent of the funds collected through assessments pursuant to the Act will be used for programs and projects intended to benefit the agriculture industry in the United States. The Council will coordinate its activities in this regard with agriculture industry trade associations and other organizations representing the agriculture industry.
- The percentage of funds collected through assessments pursuant to this Act to be used for projects relating to the use of propane as an over-the-road motor fuel shall not exceed the percentage of the total market for odorized propane that is used as a motor vehicle fuel, based on the historical average of such use over the previous 3-year period.
- The Council shall coordinate its activities with industry trade associations and others as appropriate to provide efficient delivery of services and to avoid unnecessary duplication of activities.

Agriculture Market Activities

The Council supports the agriculture market by advancing research and development efforts, consumer awareness, and the adoption of propane-fueled agricultural applications to increase the efficiency of farming operations and promote environmentally clean practices.

On Road Market Activities

The Council supports the on road or Autogas market through research and development projects, consumer awareness, business development initiatives to grow the application of propane-fueled vehicles, and a robust service network and refueling infrastructure necessary to provide a viable and environmentally clean alternative to other on road energy sources.

Residential Market Activities

The Council supports the safe operation of propane appliances and the development of new uses of propane in the residential market, offering programs for homeowners, home-builders and residential professionals that provide consumer awareness, research and development and product development within the market.

Commercial Market Activities

The Council supports new users and uses of propane in the commercial sector by offering consumer awareness, and research and development programs for business owners and commercial construction professionals targeting the safe installation, operation and maintenance of propane appliances, including the deployment of new technologies in the market.

Material Handling/Industrial Market Activities

The Council supports research and development, consumer awareness and product development programs in the material handling market to develop and commercialize propane-fueled solutions for handling industrial materials, emissions treatments, and propane hybrid technologies. These technologies include power generation, terminal tractors, heavy-duty forklifts, container handlers, light-duty vehicles and refueling infrastructure.

Off-Road Market Activities

The Council supports research and development, consumer awareness and business development programs to foster the use of propane as a preferred energy for fixed engine applications other than agricultural engines.

Cross Market Activities

Cross Market activities support safety, training, consumer awareness and research and development programs that provide benefits to multiple market segments which benefit consumer and industry professionals.

Industry Market Activities

The Council engages with propane marketers and supporting professionals to collectively provide critical industry research, training, and workforce development to help the propane industry adjust to fast-changing competitive dynamics and capitalize on new opportunities to better serve propane consumers.

APPENDIX II. BUDGET REPORTS

Propane Education and Research Council, Inc.
2027 Proposed Budget Summary Report

	2025	2026	2026	2027	2026F V. 2027B	
	Audited	Budget	Forecast	Budget	$ Variance	% Variance
REVENUES						
Assessment revenue	$ 48,667,438	$ 46,300,000	$ 46,629,360	$ 45,525,000	$ (1,104,360)	(2.4%)
State rebate	(9,733,488)	(9,260,000)	(9,325,872)	(9,105,000)	220,872	2.4%
Net Assessment Revenue	**$ 38,933,950**	**$ 37,040,000**	**$ 37,303,488**	**$ 36,420,000**	**$ (883,488)**	**(2.4%)**
Other Revenue	$ 1,589,200	1,698,808	1,474,627	1,325,369	(149,258)	(10.1%)
TOTAL REVENUES	**$ 40,523,150**	**$ 38,738,808**	**$ 38,778,115**	**$ 37,745,369**	**$ (1,032,746)**	**(2.7%)**
EXPENSES						
General & Administrative Expenses						
Salaries & payroll taxes	$ 1,157,798	$ 1,111,215	$ 1,122,124	$ 1,168,609	$ 46,485	4.1%
Benefits	193,394	145,764	144,001	149,373	5,372	3.7%
Other General & Administrative Expenses	949,602	811,334	828,232	714,202	(114,030)	(13.8%)
Total General & Administrative Expenses	**$ 2,300,795**	**$ 2,068,313**	**$ 2,094,357**	**$ 2,032,184**	**$ (62,173)**	**(3.0%)**
Program Expenses						
Salaries & payroll taxes	$ 5,141,896	$ 5,834,424	$ 5,696,605	$ 5,946,809	$ 250,204	4.4%
Benefits	693,622	876,849	809,229	877,548	68,319	8.4%
Direct Program Expenses	27,456,558	29,694,222	33,526,770	31,932,569	(1,594,201)	(4.8%)
Total Program Expenses	**$ 33,292,076**	**$ 36,405,495**	**$ 40,032,604**	**$ 38,756,926**	**$ (1,275,678)**	**(3.2%)**
TOTAL EXPENSES	**$ 35,592,871**	**$ 38,473,808**	**$ 42,126,961**	**$ 40,789,110**	**$ (1,337,851)**	**(3.2%)**
CHANGE IN NET ASSETS	**$ 4,930,279**	**$ 265,000**	**$ (3,348,846)**	**$ (3,043,741)**	**$ 305,105**	**9.1%**

Propane Education and Research Council, Inc.
2027 Proposed Budget Detail Report

	2025	2026	2026	2027	2026F V. 2027B	
	Audited	Budget	Forecast	Budget	$ Variance	% Variance
REVENUES						
Assessment revenue	$ 48,667,438	$ 46,300,000	$ 46,629,360	$ 45,525,000	$ (1,104,360)	(2.4%)
State rebate	(9,733,488)	(9,260,000)	(9,325,872)	(9,105,000)	220,872	2.4%
Net Assessment Revenue	**$ 38,933,950**	**$ 37,040,000**	**$ 37,303,488**	**$ 36,420,000**	**$ (883,488)**	**(2.4%)**
Investment income, net	$ 1,984,726	1,785,300	1,574,637	1,493,300	(81,337)	(5.2%)
Fulfillment, net	(489,119)	(161,392)	(190,973)	(229,331)	(38,358)	(20.1%)
Other revenue	93,593	74,900	90,962	61,400	(29,562)	(32.5%)
TOTAL REVENUES	**$ 40,523,150**	**$ 38,738,808**	**$ 38,778,115**	**$ 37,745,369**	**$ (1,032,746)**	**(2.7%)**
EXPENSES						
G&A Expenses						
Salaries & payroll taxes	$ 1,157,798	$ 1,111,215	$ 1,122,124	$ 1,168,609	$ 46,485	4.1%
Benefits	193,394	145,764	144,001	149,373	5,372	3.7%
Accounting & bank fees	387,984	316,398	330,304	330,698	394	0.1%
Legal fees	288,365	245,500	235,731	130,500	(105,231)	(44.6%)
Professional services	26,260	55,418	78,191	58,668	(19,523)	(25.0%)
Computer maintenance & services	16,051	53,881	47,483	54,493	7,010	14.8%
Insurance	23,587	20,104	20,101	20,297	196	1.0%
Rent expense	87,195	21,091	20,932	20,629	(303)	(1.4%)
Other expenses	120,161	98,943	95,491	98,918	3,427	3.6%
Total G&A Expense	**$ 2,300,795**	**$ 2,068,313**	**$ 2,094,357**	**$ 2,032,184**	**$ (62,173)**	**(3.0%)**
Program Expenses						
Personnel Program Expenses						
Salaries & payroll taxes	$ 5,141,896	$ 5,834,424	$ 5,696,605	$ 5,946,809	$ 250,204	4.4%
Benefits	693,622	876,849	809,229	877,548	68,319	8.4%
Total Program Salaries & Benefits	**$ 5,835,518**	**$ 6,711,273**	**$ 6,505,834**	**$ 6,824,357**	**$ 318,523**	**4.9%**
Direct Program Expenses						
Cross Market	$ 8,154,416	$ 8,478,350	$ 9,046,457	$ 7,169,457	$ (1,877,000)	(20.7%)
Off Road	1,079,638	889,201	1,996,165	1,725,581	(270,584)	(13.6%)
Agriculture	1,450,866	2,370,703	3,278,739	2,793,448	(485,291)	(14.8%)
Propane Industry	3,260,134	3,075,280	3,108,616	3,168,319	59,703	1.9%
On Road	2,052,726	3,645,455	4,500,432	7,984,867	3,484,435	77.4%
Residential	9,241,036	7,959,128	8,371,406	6,169,685	(2,201,721)	(26.3%)
Commercial	1,312,860	2,195,933	2,140,516	1,629,510	(511,006)	(23.9%)
Material Handling	904,882	1,080,172	1,084,439	1,291,702	207,263	19.1%
Total Direct Program Expenses	**$ 27,456,558**	**$ 29,694,222**	**$ 33,526,770**	**$ 31,932,569**	**$ (1,594,201)**	**(4.8%)**
Total Program Expenses	**$ 33,292,076**	**$ 36,405,495**	**$ 40,032,604**	**$ 38,756,926**	**$ (1,275,678)**	**(3.2%)**
TOTAL EXPENSES	**$ 35,592,871**	**$ 38,473,808**	**$ 42,126,961**	**$ 40,789,110**	**$ (1,337,851)**	**(3.2%)**
CHANGE IN NET ASSETS	**$ 4,930,279**	**$ 265,000**	**$ (3,348,846)**	**$ (3,043,741)**	**$ 305,105**	**9.1%**

Propane Education and Research Council, Inc.
2027 Proposed Budget – Program Activity Budget

FY27 Draft Budget Matrix	Incentivized Research	Product Development	Business Development	Technical Research	Communications - Business	Communications - Consumer	Digital Strategy & Analytics	Thought Leadership	Industry Supporting Activities	Market Research	Safety & Technical Training	General & Admin / IT Allocations	Market Total
Agriculture	$ 200,000	$ 1,197,160	$ 454,670	$ 47,000	$ 700,000	-	-	-	-	-	-	$ 194,618	$ 2,793,448
On Road	1,223,000	4,840,565	673,310	-	900,000	-	-	-	-	-	103,200	244,792	7,984,867
Residential	2,300,000	90,000	367,600	90,000	450,000	2,400,000	-	-	-	-	84,800	387,285	6,169,685
Commercial	470,000	-	353,250	-	560,000	-	-	-	-	-	73,100	173,160	1,629,510
Material Handling/Industrial	-	-	685,500	-	450,000	-	-	-	-	-	-	156,202	1,291,702
Off Road	-	985,960	181,818	-	450,000	-	-	-	-	-	-	107,803	1,725,581
Cross Market	-	110,000	-	858,400	775,324	445,276	450,000	200,000	196,000	265,200	3,242,800	626,457	7,169,457
Industry	-	-	-	-	-	-	-	-	2,655,500	200,000	42,000	270,819	3,168,319
Activity Total	**$ 4,193,000**	**$ 7,223,685**	**$ 2,716,148**	**$ 995,400**	**$ 4,285,324**	**$ 2,845,276**	**$ 450,000**	**$ 200,000**	**$ 2,851,500**	**$ 465,200**	**$ 3,545,900**	**$ 2,161,136**	**$ 31,932,569**

FY26 Final Budget Matrix	Incentivized Research	Product Development	Business Development	Technical Research	Communications - Business	Communications - Consumer	Digital Strategy & Analytics	Thought Leadership	Industry Supporting Activities	Market Research	Safety & Technical Training	General & Admin / IT Allocations	Market Total
Agriculture	$ 270,000	$ 350,000	$ 699,020	$ 65,000	$ 800,000	-	-	-	-	-	-	$ 186,683	$ 2,370,703
On Road	235,000	1,850,000	505,310	-	700,000	-	-	-	-	-	120,000	235,145	3,645,455
Residential	2,250,000	-	402,938	180,000	400,000	4,265,600	-	-	-	-	97,500	363,091	7,959,128
Commercial	550,000	-	353,350	-	1,050,000	-	-	-	-	-	75,000	167,583	2,195,933
Material Handling/Industrial	-	-	329,550	-	600,000	-	-	-	-	-	-	150,622	1,080,172
Off Road	105,000	25,000	155,070	-	500,000	-	-	-	-	-	-	104,131	889,201
Cross Market	-	15,000	-	1,104,502	920,800	544,200	300,000	200,000	-	394,709	4,384,002	615,137	8,478,350
Industry	-	-	-	-	-	-	-	-	2,542,000	228,291	40,000	264,989	3,075,280
Activity Total	**$ 3,410,000**	**$ 2,240,000**	**$ 2,445,237**	**$ 1,349,502**	**$ 4,970,800**	**$ 4,809,800**	**$ 300,000**	**$ 200,000**	**$ 2,542,000**	**$ 623,000**	**$ 4,716,502**	**$ 2,087,380**	**$ 29,694,222**

FY27 Budget v FY26 Budget Variances	Incentivized Research	Product Development	Business Development	Technical Research	Communications - Business	Communications - Consumer	Digital Strategy & Analytics	Thought Leadership	Industry Supporting Activities	Market Research	Safety & Technical Training	General & Admin / IT Allocations	Market Total
Agriculture	$ (70,000)	$ 847,160	$ (244,350)	$ (18,000)	$ (100,000)	-	-	-	-	-	-	$ 7,935	$ 422,745
On Road	988,000	2,990,565	168,000	-	200,000	-	-	-	-	-	(16,800)	9,647	4,339,412
Residential	50,000	90,000	(35,338)	(90,000)	50,000	(1,865,600)	-	-	-	-	(12,700)	24,195	(1,789,443)
Commercial	(80,000)	-	(100)	-	(490,000)	-	-	-	-	-	(1,900)	5,577	(566,423)
Material Handling/Industrial	-	-	355,950	-	(150,000)	-	-	-	-	-	-	5,580	211,530
Off Road	(105,000)	960,960	26,748	-	(50,000)	-	-	-	-	-	-	3,673	836,381
Cross Market	-	95,000	-	(246,102)	(145,476)	(98,924)	150,000	-	196,000	(129,509)	(1,141,202)	11,320	(1,308,893)
Industry	-	-	-	-	-	-	-	-	113,500	(28,291)	2,000	5,829	93,039
Activity Total	**$ 783,000**	**$ 4,983,685**	**$ 270,911**	**$ (354,102)**	**$ (685,476)**	**$ (1,964,524)**	**$ 150,000**	**$ 0**	**$ 309,500**	**$ (157,800)**	**$ (1,170,602)**	**$ 73,756**	**$ 2,238,347**