

## BUDGET COMMITTEE REPORT

The Budget Committee (BC) met on Thursday, June 19, 2014 and received the Executive Director's Budget Report for the fifth year of the 2010-2014 Cooperative Agreement. The report covered: (1) status of funding for calendar year (CY) 2014; (2) a proposed operating budget for CY 2014; (3) summary of expenditures through May, and; 4) a discussion of potential funding for future years. The BC attendance was as follows:

Present: Mr. Dave Ortmann, Chairman; Ms. Michele Culver, Dr. Dave Hanson, Ms. Dorothy Lowman, Mr. Dale Myer, and Mr. Dan Wolford

Absent: Mr. Bob Turner

Non-members Present: Mr. David Crabbe, Mr. Chuck Tracy, Ms. Patricia Crouse, Mr. Donald Hansen, Dr. Donald McIsaac, Mr. Rod Moore, Mr. Pete Hassemer, and Mr. Troy Buell

### **Summary of CY 2014 Funding**

#### Normal Council Operations

Dr. McIsaac reported that there is still some uncertainty with regard to the upper extent of the Council's final funding for FY 2014. The NMFS proposed spending plan includes a 3.99 percent Management and Administration Cost for the Regional Councils line item. If that spending plan is approved, the Pacific Council would receive \$4.0 million for the aggregate of all line items, which is approximately 3.3 percent less funding than in 2012, but about 7.7 percent more than in 2013. The NMFS proposed spending plan has been submitted to Congress, where it has remained for an extended period without approval as discussions regarding the Management and Administration Cost continue.

### **Proposed CY 2014 Budget and Status of Expenditures**

Based on Council guidance from November 2013 and cost and program updates since then, Dr. McIsaac presented the BC with a proposed CY 2014 operating budget of \$4,476,870. This amount is about four percent above the November 2013 adopted provisional budget, covering a funded earmark for advisory body stipends, updated travel and meeting costs for 2014, a one percent General Schedule cost of living adjustment, and miscellaneous updates. The budget provides for status quo Council operations for 2014.

Expenditures of the proposed CY 2014 budget are proceeding within normal expectations for the first five months of the year. The Council staff and BC will consider additional expenditure and income information at the September Council meeting and recommend any other appropriate action at that time.

### **Preliminary Expectations for Future Funding**

Dr. McIsaac reported that the House and Senate have passed Commerce, Justice and Science appropriations bills with \$32.0 and \$32.8 million in the Regional Council and Fisheries

Commissions line items, respectively, which are similar to the final amount adopted in recent years. Given the status of Congressional action and NMFS adjustments to Council-dependent line items the past two years, there remains significant uncertainty about the Regional Fishery Management Council funding level for 2015 and beyond, as well as when actual funding level will be known.

### **Budget Committee Recommendations**

The BC recommends the Council adopt a CY 2014 operating budget of \$4,476,870.

PFMC  
06/24/14