

## BUDGET COMMITTEE REPORT

The Budget Committee (BC) met on Wednesday, June 19, 2013 and received the Executive Director's Budget Report for the fourth year of the 2010-2014 Cooperative Agreement. The report covered: (1) status of funding for calendar year (CY) 2013; (2) a proposed operating budget for CY 2013; (3) summary of expenditures through May; and (4) expectations for future funding. The BC attendance was as follows:

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

Absent: None

Non-members Present: Mr. Chuck Tracy, Ms. Patricia Crouse, Mr. Donald Hansen, Dr. Donald McIsaac, Mr. Rod Moore, Mr. Gerry Richter, and Mr. Steve Williams

### **Summary of CY 2013 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 2013. At the present time, NMFS Headquarters has indicated an intent for a 10 percent cut in our aggregate line item base funding from the FY2012 level funding. At the November, 2012 Council meeting, a 5 percent cut had been presumed. The expected 10 percent cut level was used in the budget and expense displays in the BC attachments.

In addition to the expected base funding of about \$3.7 million, the Northwest Region has provided new funding of \$330,000 for a regulatory process to consider electronic monitoring in the groundfish trawl catch share program, including the hiring of one full time Council staff member for a two-year limited-duration appointment, and to provide new funding of \$30,000 to establish a work group to support Endangered Species Act (ESA) compliance of the groundfish fishery consistent with the requirements of NMFS and USFWS ESA biological opinions for green sturgeon, eulachon, humpback whales, Steller sea lions, leatherback sea turtles, and short-tailed albatross.

#### Managing Our Nations Fisheries 3 Conference Funding

Dr. McIsaac reported that staff is completing the processing of bills from the May 6-9 conference. A small surplus is expected to remain from NMFS-provided funding when bill payments have been completed, including payments for proceedings publication later this year.

### **Proposed CY 2013 Budget and Status of Expenditures**

Based on Council guidance from November 2012 and cost and program updates since then, Dr. McIsaac presented the BC with a proposed CY 2013 operating budget of \$4,449,025. The budget increase over the November 2012 adopted provisional budget (\$171,884) includes additional work on electronic monitoring regulatory process, advisory body stipends, and

updated travel and meeting costs for 2013. The budget should allow near status quo Council operations for 2013.

Expenditures of the proposed CY 2013 budget are proceeding within normal expectations for the first five months of the year. The 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 President's proposed FY 2014 budget includes an increase of \$1 billion over the 2012 funding level for the Department of Commerce, including a return of Council base funding line items to approximately the FY 2012 levels. Given the status of Congressional action, there remains significant uncertainty about the Regional Fishery Management Council funding level for 2014 and beyond, as well as when actual funding level will be known.

### **Budget Committee Recommendations**

The BC recommends the Council adopt a CY 2013 operating budget of \$4,449,025.

PFMC  
06/24/13