

REPORT OF THE BUDGET COMMITTEE

The Budget Committee met on Friday, September 10, 2010 at 1 p.m. and received the Executive Director's Budget Report. The report covered: (1) a review of the calendar year (CY) 2009 audit; (2) the status of the CY 2010 operational budget and expenditures through July 31, 2010; (3) discussion of additional funding provided for trailing amendments to Groundfish Amendment 20 with emphasis on community fishing association (CFA) issues; and (4) expectations for future funding. The following Budget Committee members were present:

Mr. Jerry Mallet, Chairman
Mr. Mark Cedergreen
Ms. Michele Culver
Dr. Dave Hanson

Ms. Jennifer Isé (alternate for NMFS)
Mr. Rod Moore
Mr. Dan Wolford

Others Present: Dr. John Coon, Mr. Donald Hansen, Dr. Donald McIsaac

CY 2009 Audit Report

Dr. John Coon provided a brief overview of the audit report for CY 2009. The auditor's findings for the Council's financial affairs were an unqualified approval with no reportable conditions or material weaknesses.

Status of CY 2010 Budget and Expenditures

Overall expenditure of the CY 2010 budget is proceeding within normal expectations for the first seven months of the year. Council staff will closely monitor ongoing expenditures toward the target of not exceeding the budget. Dr. McIsaac also noted that the final rule for Council operations that could guide the payment of advisory body stipends has not yet been published. In November, the Council could approve stipend payments.

Additional Funding

In late July, the Council received an additional \$30,000 to assist in developing trailing actions for the catch shares program with an emphasis on exploring potential actions utilizing CFA's. The Council's decisions on the trailing action topic under Agenda Item I.6 will provide guidance to the expenditure of the additional funds.

Expectations for Future Funding

Dr. McIsaac reported that there is still a lot of uncertainty in how and when Congress will approve the fiscal year (FY) 2011 appropriations. Nothing is expected to happen until after the November elections. After the election, Congress could pass the President's budget (which continues the FY 2010 funding level) or pass a continuing resolution that could be at last year's level or some other level likely lower than the 2010 level. In any event, we will not know the level of Council funding for CY 2011 by the November Council meeting. Therefore, as in the past several years at the November Council meeting, staff will provide a target CY 2011 budget

to continue status quo operations as well as contingency budgets at higher and lower funding levels to cover the expected range of funding.

Budget Committee Recommendations

The Budget Committee recommends that:

- The Council approve the upward adjustment of the CY 2010 operational budget to accommodate the addition of a lump sum of \$30,000 for the purpose of assisting in the development of trailing actions for the catch shares program with the actual disposition of the funding to be guided by the Council's actions under Agenda Item I.6.

PFMC
09/14/10