

## BUDGET COMMITTEE REPORT ON FISCAL MATTERS

The Budget Committee (BC) met on Thursday, September 11, 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) summary of expenditures through May; and (4) a discussion of potential funding for future years. The BC attendance was as follows:

Members Present: Mr. Dave Ortmann, Chairman, Mr. Bob Turner, Dr. Dave Hanson, Ms. Dorothy Lowman, Mr. Dale Myer, and Mr. Dan Wolford

Members Absent: Ms. Michele Culver

Non-members Present: Mr. Phil Anderson, Mr. Corey Niles, Mr. Rod Moore, Dr. Steve Freese, Dr. Caren Braby, Dr. Carrie Simmons, Dr. Ava Lasseter, Mr. Chuck Tracy, Ms. Patricia Crouse, and Dr. Donald McIsaac

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

Dr. McIsaac reported that the Council's final line item funding for FY 2014 of \$3.99M has been received, which is approximately 3.1 percent less funding than the stability target of 2012 level funding. Dr. McIsaac reported the receipt of funds on September 2 was the latest ever, and resulted in discussions with National Marine Fisheries Service (NMFS) headquarters and regional staff to ensure future allocations would not be subject to such delays.

### **CY 2014 Budget Expenditures**

Expenditures of the CY 2014 budget are proceeding within normal expectations for the first eight months of the year.

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

Dr. McIsaac reported that the House and Senate have passed Commerce, Justice, and Science appropriations bills with \$32.0M and \$32.8M in the Regional Council and Fisheries Commissions line items, respectively, which are similar to the final amount adopted in 2014. Given the status of Congressional action and NMFS adjustments to Council-dependent line items the past two years, there remains some uncertainty about the Regional Fishery Management Council funding level for 2015 and beyond, as well as when actual funding level will be known; however, current expectations are for funding similar to FY 2014 levels.

Dr. McIsaac noted that future Council funding was likely to be subject to continued reduction from the 3.99 percent Common Use Adjustment as a matter of National Oceanic and Atmospheric Administration policy, and that he would continue to seek clarification or relief from all or part of that reduction.

## **Budget Committee Recommendations**

Noting the assessment that current expenditures are in line with expectations through the first eight months of the year, the BC has no recommendations for Council action; however the BC commended Council staff for the unqualified positive results of the annual audit.

PFMC  
9/16/14