REPORT OF THE BUDGET COMMITTEE

The Budget Committee met on Saturday, October 31, 2009 and received the Executive Director’s Budget Report. The report included the current status of calendar year (CY) 2009 funding and expenditures under the 2005-2009 Award (which includes both the base and trawl rationalization (TR) budgets), and a provisional CY 2010 operating budget and range of potential 2010 funding and contingent budget scenarios. The following Budget Committee members were present:

Mr. Jerry Mallet, Chairman  Mr. Rod Moore  
Mr. Mark Helvey  Mr. Dave Ortmann  
Dr. David Hanson  Mr. Dan Wolford  
Mr. Frank Lockhart

Absent: Mr. Phil Anderson

Others Present: Mr. Mark Cedergreen, Dr. John Coon, Ms. Michele Culver, Mr. Don Hansen, Dr. Donald McIsaac

Current Status of Approved CY 2009 Budgets and Expenditures

Dr. McIsaac reviewed the approved CY 2009 budget and expenditures by major category as of September 30, 2009, including a current projection of expected year end balances. The projections for the combined CY 2009 base and TR budgets indicate a positive balance at year’s end. The projected overall balance is less than two percent of the total budget, with a positive balance in the base budget offsetting a negative balance for the TR budget.

Provisional CY 2010 Operating Budget and Range of Potential Funding and Budget Scenarios

At the present time, the Federal Government is being funded for the Federal fiscal year (FY) 2010 under a continuing resolution through December 18, 2009. It is possible that no National Marine Fisheries Service (NMFS) final budget will be determined until well into CY 2010. Therefore, the Council’s final CY 2010 budget may not be known for some time. As in previous years, to account for this uncertainty, Dr. McIsaac identified a provisional status quo, total operating budget for CY 2010 and a range of potential funding and budget scenarios.

Dr. McIsaac identified a provisional status quo, total operating budget for CY 2010 of about $4 M. This budget would allow for the ongoing and known activities for CY 2010 to continue at current staffing and meeting activity levels. Based on a worst case FY 2010 funding scenario assumption and full expenditure of reserve funds from the Council’s 2005-2009 grant, about $4 M should be available for CY 2010.

In the event that the Council receives funds at particular levels in excess of the worst case scenario, Dr. McIsaac proposed, on a one year only basis, that additional funding be provided for enhancing the planning and liaison contracts to support additional work by the states and Pacific...
States Marine Fisheries Commission (PSMFC) to support Council programs that are considered additional to routine programs of recent years (e.g., ecosystem fishery management plan development, annual catch limit amendments, salmon essential fish habitat review, additional groundfish trawl catch shares program measures, and additional development and analysis of the 2011-12 groundfish management measures and specifications). Two levels of increased funding to these contracts were identified, contingent on the amount of new FY 2010 funding received by the Council.

**Budget Committee Action and Recommendations**

The Budget Committee recommends the Council approve:

1. A provisional CY 2010 Council base budget of $3,980,947. The budget is provisional in that it is pending on final cost of living and travel reimbursement levels that are yet to be established for CY 2010 for Regional Fishery Management Council operations.

2. Increases in liaison contracts, on a one year only basis, contingent on the actual level of new FY 2010 funding received as follows.

   A. In the event at least $3.5 M is received, increases in liaison contracts of:
      a. CDFG: $ 64,133
      b. IDFG: $ 31,200
      c. ODFW: $ 64,133
      d. WDFW: $ 64,133
      e. PSMFC: $ 23,463
      f. Total $247,062
      These increases are provided for increased participation in advisory body activities beyond what has been the average case of the past several years.

   B. In the event at least $4.1 M is received, increases in liaison contracts of:
      a. CDFG $123,067
      b. IDFG: $ 45,067
      c. ODFW: $123,067
      d. WDFW: $123,067
      e. PSMFC: $ 23,463
      f. Total $437,731
      These increases are provided for increased participation in advisory body activities beyond what has been the average case of the past several years.

PFMC
11/05/09