

## REPORT OF THE BUDGET COMMITTEE

The Budget Committee reviewed the status of calendar year (CY) 2000 grant and audit, current CY 2001 expenditures through May and preliminary spending projections, the supplemental grant for highly migratory species (HMS), the supplemental grant for issues related to implementation of National Environmental Protection Act (NEPA) requirements, the status of CY 2002 funding, an update on the Council office move, and prospective meeting sites for 2003.

Dr. Don McIsaac reported that the CY 2000 grant has been utilized along the lines projected in December, but may end with some funds in excess of the \$10,000 carryover to fund continued activities implementing the Groundfish Strategic Plan. Staff will review coding of year end expenditures over the next few weeks to assure correct budget assignment and the audit for CY 2000 should be complete and available for the September Council meeting. If any funds remain above the \$10,000 carryover, they will be deposited in the unfunded leave account, as has been the usual practice.<sup>1/</sup>

With regard to CY 2001, Dr. McIsaac reported expenditures for the four-month period ending April 30 appear to be within expected budget levels for the first third of the year. More detailed, preliminary year-end budget projections will be available at the September and November Council meetings.

Dr. McIsaac reported that NMFS Southwest Region has provided supplemental Council funding in the amount of \$95,428 which is in the process of being approved by the National Oceanic and Atmospheric Administration (NOAA) Grants Management Office. This amount represents travel and associated costs (printing, distribution, hearings, secretarial tasks, etc.) to complete adoption of the Council's HMS Fishery Management Plan (FMP) during the period April 1 through December 31, 2001.

Later this year, NMFS will also make additional supplemental funds available to the Council to augment NEPA related tasks and to participate in the development of the environmental impact statement (EIS) for the groundfish FMP over the next two years. Dr. McIsaac reported that the amount of this supplemental funding is expected to be \$65,000 for the NEPA augmentation and \$265,500 for the groundfish EIS.

Regarding the status of CY 2002 funding, Dr. McIsaac reported that Congress will likely approve the final budget allocations this fall. He thanked all those who have actively supported increased funding for the Council during the recent budget development process. The preliminary outlook indicates the possibility of an increase over the base funding level for regional councils. If the funding to all regional councils is increased by \$2,500,000 (as provided in the current budget bills), the Pacific Council will receive an additional \$366,000 over the current level of funding.

Dr. McIsaac provided an update on the Council office move and related costs. He reached an agreement for a multi-year contract for the new Council office located near the Portland Airport. The actual move is scheduled to begin Friday, June 22. All staff will be in the new office beginning Monday, June 25.

Some Budget Committee members expressed concerns about the meeting locations and hotels for Council meetings to be held in 2002 and beyond. They encouraged the Executive Director to pursue a broader range of alternatives.

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06/12/01

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1/ The unfunded leave account is used to pay accumulated leave upon an employee's termination, death, or retirement. Such disbursements can be significant and unanticipated in the annual budget preparation. For CY 2000, the account is about 75% funded.