

## REPORT OF THE BUDGET COMMITTEE

The Budget Committee received an Executive Director Report by Dr. Donald McIsaac that included six items: (1) a change in venue for the November Council meeting; (2) the financial audit report for calendar year (CY)2000; (3) an update on meeting site selection for 2003; (4) status of supplemental funding; (5) status of the CY2001 budget; and (6) the proposed 2002 grant submission.

The meeting location for the November Council meeting has been moved from the Park Plaza Hotel in Burlingame, California to the Clarion Hotel in Millbrae, California. This change in venue is the result of the on-going renovation at the Park Plaza Hotel.

The Budget Committee received copies of the financial audit report for CY 2000. The audit indicates the Council financial operations for the year ended in conformity with generally accepted accounting principles. There were no questioned financial transactions for CY 2000.

The Budget Committee was presented with an update of the staff efforts to secure meeting site alternatives for 2003. Staff have prepared and distributed a packet of meeting profiles and Requests for Proposals for each meeting to be held in 2003. The Budget Committee will receive another update at the November meeting.

The status of CY 2001 supplemental funding was discussed. Supplemental funding to support activities to develop and complete the highly migratory species (HMS) fishery management plan (FMP) has been approved and \$95,428 has been incorporated into the base grant for CY2001. The actual work will continue through the time the FMP is adopted (expected to be March 2002). Council staff will prepare the necessary request for a no-cost extension in December 2001. The grant application covering a two-year period in the amount of \$457,500 for work related to National Environmental Policy Act requirements has been submitted to NMFS and is pending final approval.

The status of the CY 2001 budget was discussed by the committee and the staff indicated that overall expenditures and year end projections are near expectations of the original budget. The Budget Committee will receive another update at the November meeting.

The CY 2002 funding base level is unknown at this time; therefore, no proposed grant application has been prepared. A congressional appropriations conference committee will resolve differences between House and Senate amounts for regional councils as the next step. The expectation is the grant application will not be submitted earlier than mid-October. In addition to spending priorities for new funding that have been used to date in 2001, two state agency representatives expressed their concerns for a need to consider, as a minimum, a cost-of-living increase for the state planning and liaison contracts. The Budget Committee approved the following ranked priorities in the event increased funding is received for the 2002 budget: (1) necessities of the current base program without new staff officer positions; (2) a new groundfish staff officer; (3) a new socio-economist staff officer; (4) \$150,000 for implementing the HMS FMP; (5) Groundfish Strategic Plan implementation measures; and (6) cost of living increases for state planning and liaison contracts. Depending on the level of increased funding received, a higher priority for cost-of-living adjustments for state contracts could be considered if insufficient funding is available to fully accommodate any of priorities two through five.

PFMC  
09/14/01

*Motion 30*