

## REPORT OF THE BUDGET COMMITTEE

The Budget Committee received an Executive Director's Budget Report by Dr. Donald McIsaac that included: status of grants, annual audit, and contracts.

### **Status of Grants, Annual Audit, and Contracts:**

The Calendar Year 2003 Base Grant and Audit is in the process of closing and the funds have been obligated. The field work portion of the audit on this grant was completed in early May, and no material findings of concern were identified during the initial financial data review. The final exit audit briefing is scheduled for July 6<sup>th</sup>.

The Calendar Year 2004 Base Grant funding level has been established. As of April 30, 2004 (33% of the year), approximately 35% of the amended grant had been expended (exclusive of the state and Pacific States Marine Fisheries Commission [PSMFC] liaison contracts). This rate of expenditure appears reasonably on target given the projections of the remaining calendar year expenditures.

The Operational Enhancement Grant is being amended to extend through 2005 with additional funds to help continue support the Council's efforts to meet National Environmental Policy Act (NEPA) requirements, support development of the dedicated access privilege program (trawl IQ) environmental impact statement (EIS), assist in completion of the essential fish habitat (EFH) EIS, and provide for two meetings of the highly migratory species (HMS) advisory bodies. Dr. McIsaac reviewed the details of the trawl IQ budget with the committee. Since 2002, the Operational Enhancement grant has helped support salaries and activities of the Council staff NEPA Specialist, two Fishery Economists, Groundfish Management Coordinator, Communications Specialist, and participation in and support of the Groundfish Programmatic and EFH EIS's.

The PSMFC contract has assisted in completion of Amendment 16 (Rebuilding Plans) and additional funding to enhance development of the groundfish EIS's.

The Congressional funding for HMS was not repeated in 2004, and requests for HMS funding from NMFS to fill the gap has not been successful. This funding shortfall will be resolved by a programmatic response to eliminate the planned HMS staffing, meetings, travel, and goods and services supported by this lost funding.

### **The Status of State and PSMFC Liaison Contracts for 2004**

The Budget Committee was informed that nearly all of the contracts have been signed by the states and PSMFC for 2004 funding. Individual state agency representatives indicated their need for increased funds to continue activities within the Council-managed fisheries.