

## REPORT OF THE BUDGET COMMITTEE

The Budget Committee met on November 1, 2004 and received the Executive Director's Budget Report from Dr. Donald McIsaac. The report included the status of current grants and contracts and funding plans and issues for 2005. The following Budget Committee members were present:

Mr. James Harp, Chairman  
Mr. Donald K. Hansen  
Dr. David Hanson

Mr. Jerry Mallet  
Dr. Steve Freese

### **Status of 2004 Expenditures**

Dr. McIsaac reported that the expenditure of funds from the Council's total 2004 budget (2004 base grant, Operational Enhancements Grant, and Pacific States Marine Fisheries Commission [PSMFC] Contract) is proceeding within normal expectations. As of September 30, 2004 (75% of the year), expenditures totaled 61% of the budget. This compares with 61% for the same time period in 2003 and reflects a normal lag in receipt of travel and other expenses that is typical for the January through September period. Current projections indicate the possibility of a small positive balance at year's end which could provide some additional discretionary spending.

### **Funding for 2005**

Dr. McIsaac reported on possible scenarios for receiving necessary funding to maintain the full Council operations for 2005. The Regional Councils have submitted a response to an information request which addresses the Pacific Council's total needs, but the fate of that request will not be known until Congress addresses it. In the interim, Regional Council funding is covered by a Congressional continuing resolution. Resolution of Congressional funding considerations is expected to occur at some point after November 15.

### **Budget Committee Recommendations**

1. Given uncertainties in the timing and amount of funding for 2005, Mr. Donald Hansen moved, and Dr. David Hanson seconded, a motion stating that-- should the balance projected in the November budget report be realized, it be kept in reserve for 2005. The motion passed. In addition to the projected balance, the Budget Committee agreed that some unspent funds earmarked for development of the individual quota environmental impact statement should also be carried over.
2. While the 2005 budget status may not be problematic, in the event that after November 15 the budget status indicates a significant shortfall in 2005 funding, the Budget Committee requests Dr. McIsaac meet with them and the state Council representatives to confer on any major changes in budget categories. The Budget Committee recommends the Council delegate authority to this group to resolve any significant budget issues prior to the March Council meeting.