

REPORT OF THE BUDGET COMMITTEE

The Budget Committee met on October 30, 2005 and received the Executive Director's Budget Report from Dr. Donald McIsaac. The report included status of the 2005 budget and expenditures, and a review of potential funding for 2006 and its effect on Council programs and staffing. The following Budget Committee members were present:

Mr. James Harp, Chairman
Mr. Donald K. Hansen
Mr. Mark Helvey

Mr. Jerry Mallet
Dr. Steve Freese

Status of 2005 Budget and Expenditures

Dr. McIsaac reported that the expenditure of funds from the Council's total 2005 budget is proceeding within normal expectations. Current projections indicate a relatively small positive balance at year's end that could be used to help fund activities in 2006.

Dr. McIsaac also reported on the contract with Northern Economics, Incorporated, to prepare the first phase of the trawl individual quota (IQ) program environmental impact statement (EIS). This contract will utilize funds to be provided by the National Marine Fisheries Service (NMFS) Headquarters dedicated solely to IQ development

Funding for 2006

Dr. McIsaac reported that Council funding for 2006 is yet to be determined. Federal government funding is currently under a Continuing Resolution until such time as Congress and the President agree on a federal budget, including the Council's 2006 base funding from the regional fishery management council line item. While the amount of supplemental funding for 2006 from any other Congressional line items is also not known at this time, the NMFS has made a commitment of \$300,000, or slightly more, in additional funding for the Council to prepare an EIS for the 2007-2008 groundfish biennial management specifications, to include a review of the eight current rebuilding plans as Fishery Management Plan (FMP) Amendment 16-4.

To help Budget Committee deliberations on impacts of various funding levels, Dr. McIsaac reviewed a planning document prepared for NMFS in 2004 that lists proposed programs and detailed funding needs for the Council from 2007 through 2011, discussed a list of potential issues for Council action in 2006, and provided budget benchmarks for status quo operational capabilities (about \$2.9 million) and the funding level needed to provide the same management capability as in 2004 prior to recent staff and program cuts (about \$3.3 million). He also reviewed potential program and staffing priorities under a range of possible funding levels.

Budget Committee Recommendations

Based on the information provided by Dr. McIsaac in his display of funding scenarios and priorities, the Budget Committee adopted recommendations to help guide Council activities for reasonably expected 2006 funding levels that are higher or lower than the status quo need of

\$2.9 million (a “reasonably expected” range of \$2.6 to \$3.3 million). Should the actual funding exceed \$3.3 million or fall short of \$2.6 million, the Executive Director would convene a timely Budget Committee meeting to seek further guidance. The Budget Committee recommends:

1. In the event funding exceeds the status quo need, the sequence of Council priorities is as follows, from first use of additional funds to last priority use of additional funds:

Programmatic	Council Staffing
<ul style="list-style-type: none"> • Carry more of the 2007-2008 management specifications EIS process. 	<ul style="list-style-type: none"> • Add groundfish staff officer position.
<ul style="list-style-type: none"> • Enhance other regular groundfish management capabilities. 	
<ul style="list-style-type: none"> • Complete the 2007-2008 groundfish management specifications EIS, including rebuilding plan revisions (Amendment 16-4). 	<ul style="list-style-type: none"> • Add an economist position or contracting equivalent.
<ul style="list-style-type: none"> • Accomplish the full highly migratory species (HMS) fishery management plan (FMP) implementation. 	
<ul style="list-style-type: none"> • Increase state contracts to the 2004 level. 	<ul style="list-style-type: none"> • Increase communication specialist position to full time.
<ul style="list-style-type: none"> • Add capability to address full marine protected area (MPA) activities, as in 2004. 	

2. In the event that funding falls short of the status quo need, the sequential order of Council priorities is as follows, from first shortfall below \$2.9 million to an amount of about \$2.6 million:

Programmatic	Council Staffing
<ul style="list-style-type: none"> • Reduce or eliminate efforts for HMS FMP implementation. 	
<ul style="list-style-type: none"> • Reduce the frequency of Habitat Committee meetings. 	<ul style="list-style-type: none"> • Vacate communication specialist position.
<ul style="list-style-type: none"> • Reduce or eliminate “off year” science workshops. 	
<ul style="list-style-type: none"> • Reduce or eliminate unanticipated committee meetings and travel. 	<ul style="list-style-type: none"> • Vacate administrative assistant position.
<ul style="list-style-type: none"> • Eliminate the September Council meeting. 	

PFMC
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