

BUDGET COMMITTEE REPORT ON FISCAL MATTERS

The Budget Committee (BC) met on Thursday, September 10, 2015 and received the Executive Director's Budget Report for the first year of the 2015-2019 Cooperative Agreement. The BC attendance was as follows:

Members Present: Mr. Dave Ortmann, Chairman, Mr. Bob Turner, Dr. Dave Hanson, Ms. Dorothy Lowman, Ms. Michele Culver, and Mr. Dan Wolford

Members Absent:

Non-members Present: Dr. Donald McIsaac, Mr. David Crabbe, Dr. Steve Freese, Mr. Mike Burner, Mr. Chuck Tracy, Ms. Patricia Crouse, and Mr. Rod Moore,

Summary of 2015 Funding

Dr. McIsaac reported that the Council has received the final line item funding for FY 2015 of approximately \$4.1M, which is 2.4 percent more in base funding than 2014 funding. In addition to base funding, the Council received approximately \$815,000 in 2015-2016 special project funding for groundfish electronic monitoring regulations, groundfish Essential Fish Habitat amendment, Fishery Ecosystem Plan initiatives, and the August sardine distribution workshop.

CY 2015 Budget Expenditures

Dr. McIsaac reported that expenditures of the CY 2015 budget are proceeding within the normal range of expectations for the first eight months of the year.

Mr. Turner provided an overview of NMFS West Coast Region Fiscal Year 2015 expenditures, which indicated the Sustainable Fisheries Division spent 99.94% of allocated funds.

Preliminary Expectations for Future Funding

Dr. McIsaac reported that there is no expectation of substantive additional Council funding for 2015. For FY 2016, the current line item for Council and Commissions is the same in both the House and Senate mark-ups, at \$33,470,000, which is also the Administration budget request. However, current speculation is for FY 2016 to be funded via a continuing resolution or omnibus appropriations process, and the amount for council funding remains uncertain.

CY 2014 Audit Report

Mr. Tracy provided a brief overview of the audit report for CY 2014. The auditor's findings after review of the Council's financial statements were an unmodified approval with no reportable conditions or material weaknesses, which is the most favorable finding the auditors can report.

Health Insurance Update

Dr. McIsaac reported that provisions of the Affordable Care Act require the Council staff to separate from the Pacific States Marine Fisheries Commission (PSMFC) insurance pool and pursue health care insurance independently. An insurance broker has been selected to explore options; a status update will be provided at the November 2015 Budget Committee meeting.

November Budget Committee Meeting Expectations

Dr. McIsaac discussed expectations for the November 2015 Budget Committee meeting in the context of adopting a provisional Council operating budget for CY 2016.

Budget Committee Recommendations

Noting the assessment that current expenditures are in line with expectations through the first eight months of the year, the BC has no recommendations for Council action; however the BC commended Council staff for the unqualified positive results of the annual audit. The BC also commended the NMFS West Coast Region for its attention to building a strong and successful Council-NMFS fiscal relationship.

PFMC
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