

REPORT OF THE BUDGET COMMITTEE

The Budget Committee (BC) met on June 8, 2017 and received the Executive Director's Budget Report for Fiscal Year 2017. The BC attendance was as follows:

Members Present: Ms. Dorothy Lowman, Chair, Mr. Phil Anderson, Ms. Michele Culver, Mr. Pete Hassemer, Mr. Herb Pollard, Mr. Ryan Wulff, and Ms. Marci Yaremko

Members Absent: Dr. David Hanson

Non-Members Present: Mr. Chuck Tracy, Ms. Corey Ridings, Mr. Mike Burner, Ms. Patricia Crouse, Mr. David Crabbe, and Mr. Donald Hansen.

After approving the meeting agenda, the BC received information from the National Marine Fisheries Service (NMFS) and Executive Director's reports as summarized below.

National Marine Fisheries Service (NMFS) – Sustainable Fisheries Budget Update

Mr. Ryan Wulff presented information regarding the NMFS FY17 funding and informed the BC that the final spend plan is still under development. Mr. Wulff noted the West Coast Region has informed the Executive Director of their ability to fund the following special projects: groundfish carryover provisions; trawl sector quota pounds trading; and Fishery Ecosystem Plan Initiatives. He also requested the Council and BC recommend additional special project priorities that may be eligible to receive an additional \$200,000 in potentially available funding.

Executive Directors Report

Mr. Chuck Tracy presented the current financial reports to the BC, which included: (1) status of funding for calendar year (CY) 2017; (2) a summary of budget and expenditures for CY 2017 through May 2017, and (3) a summary of budget and total expenditures in CY 2016 (Agenda Item C.2, Supplemental Attachment 1).

The status of funding for CY 2017, the third year of the 2015-2019 grant, included expected base funds of \$3.7M with additional funds received or expected to be received to total \$4.2M. In November 2016, the Council directed staff to pursue special project funding from NMFS. Funding has been promised for Fishery Ecosystem Plan activities, as well as new funding for hosting the 2018 National Scientific Coordination Subcommittee meeting, National Standard 1 Guidelines, and intersector quota pounds trading.

With the recent updates to special project funding and unknown reliable soft funds, Mr. Tracy recommended the BC postpone making a decision on a final operational budget until the September BC Meeting.

Mr. Tracy reported that expenditures of the proposed CY 2017 budget are proceeding within

normal expectations for the first five months of the year. Mr. Tracy reported that expenditures of CY 2016 were approximately 89 percent of the operational budget.

2018 funding has been proposed in the President's budget as a reduction from the 2017 funded levels, but is close to the 2016 funded levels.

BC Recommendations

The BC recommends requesting additional funding from NMFS if available in the following priority order:

1. Essential fish habitat/Rockfish Conservation Area proposal of approximately 150K
2. Swordfish management of approximately 50K
3. The additional requested special project items in priority order: lingcod/sablefish discard survival credits, additional Electronic Technology Plan Implementation and participation in the CCC Habitat workgroup

In September, the BC will meet to review the results of the annual audit, receive a year-to-date expenditures report, make recommendations to adopt the final 2017 operational budget, and identify priorities for development of a draft CY 2018 provisional budget including recommendations for special projects. The BC also recommends staff provide an evaluation of funding for special projects in relation to proposed agenda items in workload planning documents. In November, the BC will review expenditures, consider likely funding levels for 2018, and recommend a provisional budget for 2018.

PFMC
06/10/17