

## REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC) met November 2, 2018 to review 2018 expenditures through September, receive an update on the 2015-2019 Cooperative Agreement, consider a staff proposed provisional budget for 2019, discuss expectations for future funding and special projects, and plan for the 2020-2024 grant application process.

Members Present: BC Chair Mr. Pete Hassemer, BC Vice Chair Mr. Phil Anderson, Dr. David Hanson, Mr. Herb Pollard, Mr. Brad Pettinger, Ms. Marci Yaremko, Mr. Ryan Wulff and Ms. Michele Culver.

Non-Members Present: Mr. Marc Gorelnik, Ms. Kelly Ames, Mr. Chuck Tracy, Mr. Mike Burner, Ms. Patricia Crouse, Mr. Don Hansen, Ms. Corey Ridings, and Mr. Peter Flournoy.

### **National Marine Fisheries Service (NMFS) West Coast Region (WCR) – Sustainable Fisheries Division Budget Update**

Mr. Ryan Wulff reported on the status of the Federal budget for Fiscal Year (FY) 2019 including potential funding implications for NMFS and the Council. Mr. Wulff noted that the Federal government is operating on the continuing resolution through December 7 making it difficult to specify FY 2019 funding expectations. The WCR is currently in the recruitment process for a large number of positions and discretionary funds, including those that may be available for Council special projects, will not be known until this hiring process is completed. Nonetheless, Mr. Wulff reported that the hiring process is well underway and that NMFS is soliciting Council proposals for special project funding.

Mr. Wulff reported that some special projects may be eligible for discretionary funds from NMFS Headquarters. NMFS Headquarters and NMFS WCR are coordinating to identify projects focused on catch share programs, marine recreational fishery matters, implementation of the National Standard 1 Guidelines, or bycatch reduction; particularly joint projects with the Council and/or the Northwest and Southwest Fisheries Science Centers. Proposals are due by November 30, 2018.

### **Executive Director's Report (Agenda Item I.2, Supplemental Attachment 1)**

Mr. Chuck Tracy presented the status of the 2018 operating budget. The 2018 expenditures through September are on track and final expenditures are projected to be slightly less than the operational budget adopted in June.

The staff proposed provisional budget for 2019 is \$4.98M which assumes status quo staffing levels, a 2019 Council meeting schedule consistent with recent years, travel based on full participation, and the modified liaison contracts per Council adopted recommendations in September 2018. Mr. Tracy reviewed potential Council activities in 2019 including, routine Fishery Management Plan (FMP) activities, ongoing priority projects, and potential future special projects. The BC considered Council workload and agenda planning documents such as the Year-at-a-Glance and the groundfish omnibus list when considering other potential 2019 activities and intends to

continue to do so as development of the 2019 budget continues in the spring.

Mr. Tracy presented the updated list of potential special projects, many with preliminary budget estimates and asked the BC to prioritize special project recommendations for 2019. The BC revisited and reconfirmed the following priority recommendation from the September Council meeting.

- Finalization of Catch Share Follow-on actions including activities associated with the Ad Hoc Sablefish Management and Trawl Allocation Attainment Committee (SaMTAAC)
- Southern Oregon/Northern California Coast (SONCC) Coho Harvest Control Rule
- Klamath River Fall Chinook/Sacramento River Fall Chinook Stock Status Assessment
- Fishery Ecosystem Plan (FEP) Five-Year Review
- Swordfish Management and Monitoring Plan
- Salmon Mitigation Measures for Groundfish Fisheries

### **Other Matters**

The BC discussed remaining funds at the end of the 2015-2019 grant cycle and their potential utilization. Mr. Tracy reported that at the next BC meeting, staff will be providing a proposal for the No-Cost Extension of current grant-cycle funds within the grant narrative and provisional 2019 budget as part of the planning efforts for the 2020-2024 grant application. The BC encouraged staff to continue to engage in long-term budget forecasting exercises and strategic planning.

The BC discussed requests from Advisory Bodies for reimbursement for travel expenses associated with travel to meetings and/or workshops in other forums. The BC encouraged a cautious approach to Council funding of stakeholder engagement in other forums and recommends reviewing the purpose and benefits to Advisory Bodies and the Council on a case-by-case basis.

The BC commends Council staff for budgeting accuracy and fiscal management resulting in 2018 expenditure projections under budget by about 6 percent and annual Council budgets that are consistently close to but under expectations.

### **Public Comment**

Ms. Corey Ridings requested that the BC include the FEP Climate and Communities Initiative and the FEP Five-Year Review as priority special project recommendations to the Council. She noted that both projects are important to West Coast marine resource stewardship and supportive of the Council's continuing endeavors regarding ecosystem-based fisheries management.

Mr. Peter Flournoy asked if there were budget expectations for estimates by Fishery Management Plan. Mr. Tracy responded budget estimates aren't typically broken down by FMP but that Council staff tracks Council floor time by FMP and Year-at-a-Glance priorities as a means of tracking Council commitments by FMP.

## **Budget Committee Recommendations**

- 1. Adopt the 2019 provision budget of \$4,976,401 for use beginning January 1 until full funding and updated budget estimates are known.**
- 2. Direct the Executive Director to continue to track funding needs for core Council activities and, in conjunction with the WCR, pursue funding for the following special project proposals:**
  - a. Finalization of Catch Share Follow-on actions including activities associated with the Ad Hoc Sablefish Management and Trawl Allocation Attainment Committee (SaMTAAC)**
  - b. SONCC Coho Harvest Control Rule**
  - c. Klamath River Fall Chinook/Sacramento River Fall Chinook Stock Status Assessment**
  - d. FEP Five-Year Review**
  - e. Swordfish Management and Monitoring Plan**
  - f. Salmon Mitigation Measures for Groundfish Fisheries**
- 3. Provide the Executive Director the flexibility to request funds as part of the NMFS Headquarters funding process and to collaborate with NMFS to identify potential joint projects with the WCR and the Science Centers.**
- 4. Plan a BC meeting for the spring (March or April) to bring draft documents for discussion and recommendations.**

PFMC  
11/07/18