

## REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC or Committee) met via webinar on May 19, 2020 to receive an update on the 2020-2024 cooperative agreement funding, funding remaining from the 2015-2019 grant, and to review and consider a staff proposed 2020 Operational Budget.

Members Present: BC Chair Mr. Pete Hassemer, BC Vice Chair Mr. Phil Anderson, Ms. Marci Yaremko, Mr. Brad Pettinger, Dr. Dave Hanson, and Mr. Ryan Wulff.

Non-Members Present: Mr. Bob Dooley, Mr. Corey Niles, Ms. Heather Hall, Mr. Chuck Tracy, Mr. Mike Burner, Ms. Patricia Crouse, and Ms. Corey Ridings. Mr. Kris Kleinschmidt and Ms. Sandra Krause were present for IT support.

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

Mr. Wulff gave the NMFS budget update. For Fiscal year (FY) 20, NMFS WCR has completed obligation for all of its Phase II, discretionary funds. There were very limited Phase III funds available from the Region, but NMFS was able to secure \$50K towards a broader Marine Resource Education Program (MREP) grant. NMFS Headquarters Catch Shares (CS) and Magnuson-Stevens Act (MSA) Request for Proposals (RFPs) funds have also been awarded and committed. The WCR awards included support for 1) modeling the tradeoffs and predictors of Chinook bycatch in whiting fishery (year-2 of the project); 2) a groundfish public outreach campaign; 3) the management strategy evaluation (MSE) for sablefish; 4) modeling spatio-temporal prey fields to support ecosystem-based fisheries management (EBFM); and 5) distributing seabird avoidance devices to industry. FY 21 spend plan actions are also starting soon as NMFS WCR will be building its Phase II budget over the summer. NMFS also anticipates Headquarters MSA/CS RFPs will again be due in October, so a discussion of Council priorities at a September Budget Committee meeting is recommended. The FY 21 President's budget has been released, and, as in past years, the budget proposes elimination of funding for several "lower priority" National Oceanic and Atmospheric Administration (NOAA) programs, including Sea Grant, Coastal Zone Management Grants, Education Grants, and the Pacific Coastal Salmon Recovery Fund.

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

Mr. Chuck Tracy presented the results of the 2019 funding and budget summary, noting there was \$2.8M remaining in the delayed spending account for use on identified no-cost extension projects in 2020. The Council has received funding of \$4.6M from Program, Projects, and Activities (PPA) and Management Programs and Services (MPS) sources, and noted it is unlikely the Council will receive any additional funds in calendar year (CY) 2020.

The staff-proposed CY 2020 Operational budget was displayed by funding source (2020 grant-year and no-cost extension funds). The changes from provisional budgets resulted from updated cost estimates and project prioritization, in part due to moving previously planned in-person meetings to webinars due to COVID-19. The proportions between 2020 and the no-cost extension projects

were adjusted and resulted in changes in various line items. Expenditures as of April 30 are in line as expected, however, these balances do not reflect the March hotel bill as it had not been received in time for the cutoff date of the reports.

Due to COVID-19, NOAA Grants Management Division has indicated they would consider another extension to the previously extended 2015-2019 grant. When remaining funds in the 2015-2019 grant are more certain, staff will prepare a request for extension and provide information to the BC. The staff does not expect all of the \$4.6M awarded in 2020 to be spent given the updated cost estimates, however those funds can remain for use throughout the entire 2020-2024 grant period.

NFMS has requested a “roll-up” of Council line items for the Presidential budget to assist in congressional approval and to make the items easier to track. The Executive Directors of the Regional Fisheries Management Councils (RFMC) are considering a proposal to change the way NMFS displays the allocation of the funding line item. The Improve Stock Assessments and Peer Review line items are now considered part of the PPA/MPS budget line. Those lines have been static and are not allocated based on the historical proportions for the other line items. The Council Coordinating Committee (CCC) will consider the proposed allocation display methodology during its May 27-28 webinar. The proposed method will not alter the customary allocation methodology.

The CCC will also consider a proposal for the RFMC’s to assist in funding Council Member Ongoing Development (CMOD) at its May 27-28 meeting. The CMOD program is intended to replace the Fisheries Sustainability Forum workshops. NMFS has committed funding about \$55K for the 2021 workshop and the CCC has requested each council provide an additional \$17K, plus travel costs for their participants. The CCC will reevaluate the program after two workshops are held.

Mr. Tracy discussed the MREP proposal from the Gulf of Maine Research Institute (GMRI) which asked to partially fund the next science workshop to be held later in the year. NMFS has provided \$50K in advance funding, GMRI is supporting the workshop with \$10K and has requested that the Pacific Council provide an additional \$10K in funding for the science workshop in 2020.

In looking ahead at the potential for the next few BC meetings, September’s meeting is to review a draft provisional budget, and for the BC to recommend future budget priorities. At the November meeting, the Council is scheduled to adopt a provisional 2021 budget for use in the early portion of the next year.

Council staff made the following recommendations:

- Approve a combined 2020 Operational budget of \$6,173,557.
  - \$3,334,234 of 2020 grant funding
  - including \$10K for the MREP Science Workshop
  - \$2,839,323 of No-Cost Extension of remaining 2015-2019 funds
- Consider CCC CMOD proposal
- Consider membership issues
- Plan next BC meetings
  - September to set priorities, consider membership as appropriate
  - November to adopt 2021 provisional budget

- Consider guidance for extension into 2021 of 2020 NCE as appropriate

### **Budget Committee Discussion on Activities**

The Budget Committee discussed the MREP proposal as a benefit to the Council in engaging stakeholders who are currently not involved in the Council process and expressed support for it being a priority for the Council for 2020. If another request comes in it could be discussed at that time.

The Budget Committee discussed the CCC CMOD proposal. This proposal was listed as a priority item in the grant application and has been in the works for a few years. NMFS Headquarters has also been supportive of the initiative by funding about half of the project for 2021. There was concern expressed for long-term commitment due to unknown future funding and the amount of staff time needed for the hosting Council.

The Budget Committee discussed the future committee meetings and expressed support for a September meeting to discuss a draft provisional budget and provide input on expectation for future spending. At this meeting, the Council would have new membership and would allow the committee to discuss leadership at that time. As Mr. Wulff indicated, this would be a good time to assist with NMFS Headquarters proposal requests that are of Council priority. The November meeting would also be held to adopt a provisional budget for use in 2021.

### **Budget Committee Recommendations**

- 1. Recommend the staff proposed 2020 Operational budget of \$6,173,557 which includes the funding of the MREP request of 10K.**
- 2. Recommend approval of the CCC CMOD request for 2021.**
- 3. Recommend September BC meeting for 2021 budget discussions, including guidance for extension into 2021 of 2020 NCE, and election of officers.**

PFMC  
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