

REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC or Committee) met via webinar on Wednesday, November 3, 2020 to receive an update on the 2020-2024 cooperative agreement funding, status of remaining funds from the 2015-2019 grant, and to consider a 2021 Provisional Budget.

Members Present: BC Chair, Mr. Pete Hassemer; Mr. Marc Gorelnik, Mr. Corey Niles, Ms. Marci Yaremko, Mr. Brad Pettinger, and Dr. Dave Hanson. Mr. Ryan Wulff was not in attendance.

Non-Members Present: Ms. Heather Hall, Mr. Chuck Tracy, Mr. Mike Burner, Ms. Patricia Crouse, Ms. Kelly Ames, and Ms. Corey Ridings.

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

Ms. Ames gave the NMFS budget update. The Continuing Resolution (CR) is set to expire on December 11, and the Fiscal Year (FY) 21 appropriation bills are pending resolution between the House bill (which has been released) and on the Senate bill (which has not been released). WCR has been evaluating budget scenarios and it is unlikely that staffing levels will appreciably change during FY21. Headquarters has opened the request for proposals (RFP) process to the Regions for Magnuson-Stevens Act and Catch Share projects. These RFP projects are currently being identified and prioritized within the scope of Council priorities as identified on the Year-at-a-Glance. Identified priorities are due to be submitted to headquarters on November 20th.

Executive Director's Report (Agenda Item C.5, Supplemental Attachment 2)

Mr. Chuck Tracy presented the status of expenditures through September for the combined 2020 operational budget. There is an expected surplus of \$2.8M, primarily due to COVID impacts on workload capacity for No-Cost extension projects that were put on hold during April and June. Of the expected surplus, approximately \$1.2M has been requested in a second extension to the 2015-2019 grant. This second extension is a result of Office of Management and Budget (OMB) and National Oceanographic and Atmospheric Administration (NOAA) Grants Division guidance relating to COVID-based extensions. The surplus from a second 2015-2019 extension (if approved) and remainder of 2020 funds will be available for use during 2021.

Mr. Tracy presented two Provisional Budget alternatives for 2021 as requested by the Council. The budgets represented holding three in-person Council Meetings, two Council Coordinating Committee Meetings (with the Pacific Council hosting the October 2021 meeting), and additional contractors to work on identified extension projects, Regional Fishery Management Organizations, and outreach as identified at the September BC Meeting. The two provisional budgets alternatives identified two different funding levels for 2021 liaison contracts; the first being status quo as outlined in the grant application for 2021 and the second as proposed by the Council to maintain funding at the 2020 combined 2020 and No-Cost extension budget level. Depending on the amount of appropriated funds received in 2021, and if approval is given for the second extension, the delayed spending account balance at the end of 2021 is projected to be in the range of \$1.2M to \$2.6M.

Budget Committee Discussion on Activities

The BC discussed the state liaison contracts and the reasoning behind the increase in 2020 associated with the increased workload to complete the no-cost extension projects. There was support for keeping the funding at that level in 2021 as the reasoning is still valid. Mr. Tracy discussed the likelihood of the grant extension being approved due to COVID and encouragement from NMFS Headquarters to submit the request during Council Coordinating Committee discussions.

The BC discussed potential priorities for NMFS RFP projects including continuing work on moving the Emley/Platt and Midwater Trawl Exempted Fishing Permits into regulations and modifying the non-trawl Rockfish Conservation Area (RCA) boundaries. Ms. Ames noted that the Fixed Gear logbook issue could be moved forward although the timeline is still in development. Mr. Tracy asked if NMFS could provide an updated list of potential RFP projects under Agenda Item C.2 or under this agenda item.

The BC discussed future meetings and identified a tentative meeting in conjunction with the April Council meeting pending an update under the March Executive Director's report on any changes to anticipated funding due to the No-Cost extension request FY21 appropriations, and the NMFS FY21 spend plan, such that the time was appropriate to move forward with adopting a 2021 Council Operational Budget.

Budget Committee Recommendations

- 1. Council approve the Provisional Budget of \$5,006,455 for use beginning January 1, including the amounts for No-Cost Extension projects.**
- 2. Recommend a tentative April 2021 BC Meeting to discuss the no-cost extension application, FY21 appropriations, and a 2021 Operational Budget.**

PFMC
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