

REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC or Committee) met via webinar on Wednesday, September 8, 2021, to receive an update on the 2020-2024 cooperative agreement funding and expenditures through July 31, status of remaining funds from the 2015-2019 grant, and to consider and provide recommendations for the 2022 Provisional Budget.

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

Non-Members present: Mr. Chuck Tracy, Mr. Mike Burner, Ms. Patricia Crouse, Ms. Kelly Ames (representing NMFS West Coast Region), Ms. Corey Ridings, and Mr. Kris Kleinschmidt.

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

Ms. Kelly Ames reported on the West Coast Region budget for Fiscal Year 2021 is currently being wrapped up. The Region will be tracking Headquarters (HQ) Request for Proposal (RFP) for projects to support the Magnuson-Stevens Act (MSA) and Catch Shares (CS) programs and will be listening during the Council meeting to help determine Council priorities. The WCR will also work with the Executive Director if assistance is needed for the RFPs.

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

Mr. Chuck Tracy presented the status of funds of the 2015-2019 Grant and the 2020-2024 Grant. The amounts presented in June are unchanged, but he reminded the BC that the 2015-2019 extension funds would need to be spent by the end of 2021 and staff is monitoring spending accordingly. The remaining funds from 2020 could be utilized through the remainder of the grant. The total amount of funds available for use in 2021 is approximately \$7.8M.

2021 expenditures through July 31 are approximately 39 percent and are on target for this time of the year. Expenditures for extension funds are tracking slightly higher at 44 percent and 2021 funds are at 38 percent. Travel for both budgets are tracking low due to virtual meetings instead of in-person meetings.

Mr. Tracy discussed potential for 2022 funding. The President's proposed budget details a 2.4 percent increase from 2021 in the Council and Commissions line item. The same line item in 2021 was 3.1 percent although the spend plan increase was only 1.9 percent due to additional support costs. It was also noted that the budget currently in the House Appropriations committee included a 3.6 percent increase, but this is still in the early stages of discussion. Simple expectations for 2022 funding could be in the range of a status quo amount of \$4.64M to \$4.81M if funded at the proposed House Committee level.

Mr. Tracy presented the 2022 preliminary proposed budget of \$5.73M for discussion. The proposed budget includes assumptions of adding a full time Economist Staff Officer, planning for five in-person Council meetings, state and liaison contracts based on the grant request, and other contracts of a limited number since most of the no-cost extension projects in 2021 have been completed.

Mr. Tracy then presented a list of potential priorities as identified in Agenda Item E.1, Supplemental Attachment 2 which includes Executive Order 14008, Best Scientific Information Available (BSIA) Regional Framework, Regional Electronic Technology Plan Review, Research and Data Needs Update, Marine Planning, Fishery Ecosystem Plan (FEP) Initiatives, FEP five-year review, Coastal Pelagic Species (CPS) Management Categories and Assessment Priorities, CPS Essential Fish Habitat (EFH) Phase 2, Highly Migratory Species (HMS), EFH Phase 2, Drift Gill Net Hard Caps, Swordfish Management and Monitoring Planning, Bluefin Tuna Joint Working Group, Albacore Management Strategy Evaluation (MSE), Salmon EFH Phase 1, Sacramento River Fall Chinook (SRFC) and Klamath River Fall Chinook (KRFC) Conservation Objective Review, and SFRC Age Structures Assessment, Fixed Gear Sablefish Tier Program Review, Sablefish Gear Switching, Sablefish MSE, Groundfish Electronic Monitoring, Trawl Catch Share Program Review, Whiting Utilization, Non-trawl Rockfish Conservation Area and Groundfish Strategic Planning.

Mr. Tracy noted that there could be less capacity for additional Council session time since there are limitations due to virtual attendance, the transitions of members of both the Groundfish Management Team and Salmon Technical Team, and Council staff being engaged with Groundfish Specifications and Marine Planning. Additional capacity could be gained with an Economist Staff Officer, additional contractors for Groundfish Data Analyst, GIS Mapping and Marine Resource Education Program and Legislative Analyst, and the availability of staff who were involved with the Council's year of hosting the Council Coordination Committee (CCC) Meeting. He asked the BC to provide guidance relating to liaison and other contracts, and any other budget priorities that may not be currently on the Year-At-A-Glance for November consideration.

Budget Committee Discussion on Activities

The BC asked how the amounts for state and liaison contracts were determined for 2022. Mr. Tracy replied is that was the amount that was identified in the Grant request and is based 2019 funded amounts with a yearly five percent increase. There was additional discussion on managing the workload of the state staff as a part of the Management and Technical Teams, who are generally tasked with assisting with the Council workload.

The BC discussed the plan for staffing and contractors and wanted to express the need to maintain the continuing excellent standards of work and balance the need to be flexible to meet the needs of the Council. There was support for the transparency of the intent of the Economist Staff Officer and use of contractors rather than hiring temporary employees to manage workload. It was also noted that the presentation didn't include the routine activities that the Council has committed to in 2022 or things that may be added to the agenda at this meeting. Mr. Tracy noted the preliminary provisional budget is high and allows for Council priorities to be completed with either the current year funding or the remaining funds in the current grant as needed.

The BC supported NMFS RFP process for working toward Headquarters funding of projects in support of Council priorities but also expressed support for limiting the need for the Council itself to look for special projects that could add current workload.

The BC did not have further recommendations for this meeting but anticipates having a Budget Committee meeting in November and will be ready to recommend a calendar year (CY) 2022 Budget for Provisional use at the November meeting

PFMC
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