

REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC or Committee) met on June 21 to receive an update on the 2020-2024 cooperative agreement funding, review the Calendar Year (CY) 2022 final expenditures and the staff proposed CY 2023 operational budget.

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

Mr. Ryan Wulff provided an update on the status of Fiscal Year (FY) 2023 funding and noted the FY 2024 process is currently underway within Congress. Mr. Wulff noted that the Inflation Reduction Action (IRA) provides funding to National Oceanic and Atmospheric Administration (NOAA), and NOAA has recently prioritized that funding in a number of key areas. One of those is Climate Ready Fisheries and determined that \$20M of those funds would be to support regional fishery management councils in assisting regulatory responses to current climate challenges. NMFS understands that we have a diversity of fisheries across the United States, and as such, they expect the actions Councils take with this funding will vary and be responsive to the needs of the fisheries in their region and the communities they serve. Examples of the kinds of actions Council might take include operationalizing climate vulnerability assessments, implementing actions generated from scenario planning efforts, or implementing measures that increase responsiveness of allocations or other management measures to climate impacts. Discussions are planned for later this summer between NMFS Headquarters and the Council Executive Directors to further clarify the use and allocation of those funds.

Executive Director's Report

Mr. Merrick Burden detailed CY 2022 total expenses and noted that the Council came in under budget by approximately \$637 thousand. The lower than planned expense level can be attributed to lower than budgeted expenses in Travel and in the Supplies and Services line items, as well as reduced expenses for contracting.

The staff proposed 2023 operational budget reflects slight modifications to the 2023 provisional budget that result in a lower budget. The 2023 proposed operational budget is \$5,898,682, and reflects updated amounts for Salaries and Benefits line items, a better estimate of travel expenses for 2023, and a reduction in outside contracts over what is contained in the Provisional Budget. The Budget Committee is supportive of the staff proposed operational budget.

If the entire \$5.9M Operational budget is utilized in 2023, staff estimate that the Council would have \$2.35M in our delayed spending account. Similarly, if this same budget approach is taken in 2024, staff estimate that the Council would have slightly over \$1M remaining within the delayed spending account.

A summary of, and recommendations from, the Budget Committee's discussion of the upcoming grant renewal process is included in the Committee's report under Administrative Matters, Council and Process Efficiencies, [Agenda Item C.2.a, Supplemental BC Report 1](#).

Budget Committee Recommendations:

- 1. Adopt a CY 2023 Operational Budget of \$5,898,682.**

PFMC
06/25/23