

REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC or Committee) met on Thursday, April 10, 2025, to review the Council's 2024 expenditures, the 2025 provisional budget, and fiscal uncertainties related to 2025 income levels. The meeting was intended to facilitate communication and understanding during this time of uncertainty related to Council resources.

At the time of the meeting, no updates were provided by the National Marine Fisheries Service. However, the Executive Director expects Council funding decisions to be announced on or before the May 2025 Council Coordination Committee (CCC) meeting. Provided that funding available to the Council is known at that time, the Council will be in a position to adopt a final 2025 budget at the June meeting.

Executive Director's Report

In 2024 the Council expended less than the approved budget by approximately \$680,000. The fact that the Council was likely to come in under budget was communicated at the November 2024 Council meeting and is a result of delays in receiving funds for special projects and a related delay in executing contracts related to those projects. While the Council came in under budget last year, expenses continued to exceed income levels and over \$700K was spent from the delayed spending account.

The Committee reviewed the Council's 2025 provisional budget, which is comprised of three funding sources. These include a no cost extension budget of approximately \$2.2 million, funding for special projects of approximately \$2.3 million; and the Council's 2025-2029 grant of which \$2.7 million has been received to date. These funding sources have different requirements and timelines for their use.

Mr. Burden discussed decision making in relation to the three funding streams. Due to significant uncertainties, Council expenditures have been prioritizing the preservation of base funding from the 2025-2029 grant. This is because funds from this source are relatively flexible and are needed in order to execute on the other two funding streams. In recent months, work ramped up to fully utilize the no-cost extension and funding for special projects.

Budget Committee Discussion on Activities

The Budget Committee discussed the Council's three funding streams, their utilization, and their outlook. Some discussion ensued regarding the way in which Continuing Resolutions (CRs) take place and how CRs affect the time at which Councils receive funding. In addition, the BC reviewed prior decisions regarding how NCE funds will be used and how funding for special projects are being deployed. The committee noted that the deployment plans for some of these special project funds are still being developed, particularly around the concept of adaptive management (a topic being taken up by the Council at this meeting).

The Committee discussed financial uncertainties and financial risk management. The BC requested

that the Executive Director provide the Committee with analysis at the June meeting which can help facilitate financial risk management in the short and long term.

Budget Committee Recommendations:

- 1. Plan a June 2025 Budget Committee meeting to review a 2025 Operational Budget**
- 2. Task Staff to bring updated information in June to facilitate discussion about the management of financial uncertainties.**

PFMC

4/14/25