

REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC or Committee) met on Thursday, June 12, 2025, to review the Council's 2025 funding status, the Calendar Year (CY) expenditures through May 31, 2025, a revised CY 2025 provisional budget, and fiscal uncertainties related to 2025 income levels.

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

Mr. Ryan Wulff informed the Committee that the West Coast Region is still operating under the Continuing Resolution (CR) for Fiscal Year (FY) 2025. The FY 2026 President's Budget was released and is being reviewed at the Congressional level.

Executive Director's Report

Mr. Merrick Burden provided the Committee with an assessment of existing budget concerns, the status of funding, and expenditures through the year. Included in this assessment is a revised CY 2025 provisional budget of approximately \$6.0M, which is a reduction from the adopted provisional budget of \$6.4M. This budget includes utilizing \$2.2M of no cost extension funds, approximately \$1.0M in special project funds, and \$2.8M from the current year's grant.

Council funding for 2025 remains a question mark. Approximately 40 percent of the Council's administrative grant has been received to date, with indications that additional funds will arrive that will bring Council funding up to 60 percent of the expected administrative grant. Further funding beyond this level is unknown. The committee discussed the possibility that the Council's administrative grant funds could be reduced to 60% - 80% of the total expected funding in Calendar Year 2025. Such a funding reduction would have implications for 2025, 2026, and potentially beyond. With this potential impact in mind, the Committee discussed actions that could reduce Council expenditures.

Mr. Burden outlined a few options for discussion relating to options that would impact the CY 2025 budget. These include 1) keeping the vacant Staff Officer position unfilled; 2) trim back State and Liaison contracts, 3) plan for a remote September Council Meeting, 4) plan for a remote November Council Meeting and 5) make additional small reductions through the remainder of the year to facilitate reduction of expenses.

Budget Committee Discussion on Activities

The Budget Committee discussed the possible funding scenarios and their impact on Council operations. Several states are under budget restrictions, and the effect of reducing state contract funding would exacerbate currently ongoing impacts on state staffing and operations. The Staff Officer vacancy was also discussed, and while leaving this position vacant will affect the number and type of agenda items the Council can consider, the Committee recommended the vacancy remain open until funding is known.

The Committee discussed the prospect of a remote September and November Council meeting. It was noted by staff that a fully remote September Meeting would save approximately \$140-160K, while a hybrid meeting with Council Members and some staff in person could save approximately \$90K. The Committee expressed consternation about going remote for this meeting, especially in light of this meeting being one where stock assessments are adopted. Committee members noted that there is substantial value in after-hours stock assessment presentations and discussions prior to their adoption.

A fully remote November Meeting would save approximately \$260-289K; a hybrid meeting with Council Members and some staff in person would save approximately \$211K. The current agenda may have impacts on the Groundfish specifications process and adopting any remaining stock assessments.

Budget Committee Recommendations:

- 1. Recommend keeping the vacant staff officer position open until Budget is known.**
- 2. Recommend a hybrid September 2025 Council meeting with Council and some staff participation in person and committees would be remote.**
- 3. Recommend the Executive Committee meet to consider the format of the November meeting in mid-August.**
- 4. Plan a September 2025 Budget Committee meeting to review a 2025 Operational Budget, if budget is known, and review a proposed preliminary budget for 2026.**

PFMC
6/15/2025