REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC or Committee) met on Saturday, September 20, 2025, to review the Council's 2025 funding status, the Calendar Year (CY) expenditures through August 31, 2025, the 2024 Audit Results, a proposed CY 2025 operational budget, and reviewed a draft CY 2026 provisional budget.

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

Mr. Ryan Wulff informed the Committee that Council funds have been distributed for 2025, and this has amounted to the distribution of all expected funding for the year. Substantial uncertainty exists for 2026, with the recently released House budget proposing a 40 percent cut to the National Marine Fisheries Service. The next few weeks should bring clarity to the 2026 outlook as Congress continues to deliberate the 2026 budget.

Executive Director's Report

Mr. Merrick Burden provided the Committee with an assessment of existing budget concerns, the status of funding, and expenditures through August 31. The Council received approximately $4.9M from its administrative grant for the calendar year 2025. This is the amount that was expected at the end of 2024 and adds to funds that have already been received related to the no cost extension and funds for special projects.

As part of the Executive Director's report, the committee received a proposed staff budget for CY 2025 of approximately $5.9M, which is a reduction from the adopted provisional budget of $6.4M. This proposed operational budget includes utilizing $2.2M of no cost extension funds, approximately $900K in special project funds and $2.8M from the administrative grant. Based on the updated budget, funds remaining at the end of the year would be approximately $1.2M from the special project funds and $2.1M from the administrative grant.

Mr. Burden spoke to the CY 2025 operational budget and noted this budget included 1) an in-person Council meeting in November and 2) filling the vacant staff officer position in CY 2025. The CY 2026 draft provisional budget is based on the Council's planned programming for the next year, which includes 5 in-person Council meetings, 16 staff, state liaison contracts, and continued implementation of matters previously taken up under the Council Efficiencies agenda items.

The 2024 audit results were reviewed, and it was noted that the audit complies with the Federal Audit Standards and there was no noncompliance issues identified.

Budget Committee Discussion on Activities

Mr. Brad Pettinger was elected by the BC to serve as Chair for the next year. The BC will consider the Vice-Chair position at the next BC Meeting.

The Committee discussed the 2025 operational budget. It was noted that there is little ability to influence the Council expenditures for the balance of the year given that it is relatively late in the year and funding has been expended or committed. Two matters that are in the Council's control that can influence expenditures for the year include the format of the November Council meeting and whether/when to backfill the vacant staff officer position. The BC agreed with the staff proposal to plan for an in-person November meeting as well as the staff proposal to backfill the vacant staff position. The BC therefore supports the proposed CY 2025 Operational budget of $5,926,899. If revenue concerns arise again, the BC indicated that the Executive Director should use discretion in the hiring of a new staff officer.

The Committee discussed the 2026 budget as presented and requested the November 2025 provisional budget documents provide additional scenarios for planning based on current expectations.

Budget Committee Recommendations:

1. **Recommend a CY 2025 – operational budget of $5,926,734, providing guidance that the Executive Director has discretion on timing of filling the vacant staff officer position if uncertainties exist.**
2. **Plan a November 2025 Budget Committee meeting to provide input on the CY 2026 Provisional Budget.**

PFMC
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