

## REPORT OF THE BUDGET COMMITTEE

The Pacific Fishery Management Council's (Council) Budget Committee (BC) met April 10, 2019 to review 2018 expenditures through March 2019, receive an update on the 2015-2019 cooperative agreement funding, and review and consider the draft Project Narrative and budget for the 2020-2024 grant application.

Members Present: BC Chair Mr. Pete Hassemer, BC Vice-Chair Mr. Phil Anderson, Mr. Herb Pollard, Mr. Brad Pettinger, Ms. Marci Yaremko, Mr. Ryan Wulff, and Ms. Michele Culver.

Non-Members Present: Mr. Marc Gorelnik, Ms. Kelly Ames, Mr. Chuck Tracy, Mr. Mike Burner, Ms. Patricia Crouse, and Ms. Corey Ridings.

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

Mr. Ryan Wulff reported on the status of the Federal budget for Fiscal Year (FY) 2019 and noted the availability of both Region discretionary and Headquarters temporary funds to enhance Council priorities. Funds have been provided to support the following projects:

- Improved catch estimation methodologies for sparsely sampled mixed stock fisheries for use in 2021 stock assessments,
- Combine disparate data sources to improve reporting of highly migratory species catch,
- Recreational roundtables to engage stakeholders and constituents in support of the National Saltwater Recreational Fisheries Policy,
- Sablefish management strategy evaluation,
- Implement Council recommendations resulting from the Catch Share Program 5-year review including development of the quota share owner survey,
- Modeling tradeoffs and predictors of stock-specific Chinook salmon bycatch in the Pacific whiting fishery, as the first year of a two-year project to be conducted by the Northwest Fisheries Science Center,
- Support and host Pacific bluefin stakeholder workshops, and
- Distribution of barotrauma devices, fish identification guides, and best practices documents to the recreational fisheries.

### **Executive Director's Report (Agenda Item D.5, Supplemental Attachment 1)**

Mr. Chuck Tracy presented the status of 2019 funding, which is estimated to include a net increase of approximately 3.5 percent over 2018 in the Council's PPA (Program, Projects, or Activity) and Management Programs and Services (MPS) funding. Changes to the Council's funding included an increase of about \$304,000 in the PPA and a reduction of about \$146,750 from the MPS funding that was awarded in 2018 for deregulatory activities. Final funding levels for the eight Regional Fishery Management Councils should be known prior to the June BC meeting. Council staff will provide an updated staff proposed operational budget in June for BC consideration.

The 2018 Budget and Expenditures summary through year-end shows we operated at 93 percent of our operational budget level for 2018.

Mr. Tracy discussed priorities to consider in the 2020-2024 Grant Proposal. Based on the current proposed grant application schedule, the BC and the Council need to approve the draft 5-year grant application and budget at the June Council meeting for subsequent submission to the Grants Management Division (GMD) in the fall. The BC reviewed the draft Project Narrative (Supplemental Attachment 2) which identifies priority activities and budget assumptions for 2020 and subsequent years. NMFS Headquarters and GMD requested the Council forecast future grant funding levels by starting with 2020 grant funding levels at the level of 2019 PPA and MPS funding followed by an overall 5 percent increase in each of the following years of the grant (2021-2024). The 2020 proposed funding levels and Project Narrative covers baseline operations as well as other core responsibilities and anticipated Council projects including: 5-year review of essential fish habitat for salmon, coastal pelagic species, and highly migratory species; expanded use of electronic technologies and monitoring methods; and outside contractors to assist with these subjects and baseline operations.

The 2020 funding level does not include staff-identified possible no-cost extension projects. Eligible no-cost extension projects are those started before the end of the 2015-2019 grant period (or work supporting those projects), and work to close out of the current grant. The funding level for 2021 is slightly higher than a 5 percent increase relative to 2020 due to the Council's planned hosting of the 2021 Council Coordinating Committee Meeting. Proposed funding levels for the remaining years (2022-2024) were adjusted so that the overall grant proposal reflects no more than the recommended 5 percent annual increase.

Mr. Tracy discussed two options for distributing additional funding to the liaison contracts with the states and the Pacific States Marine Fisheries Commission (PSMFC) in response to the 3.5 percent increase in the Council's 2019 budget; these funds would be added to the Council's 2020 budget. Option 1 is based on an apportionment method used in 2018 that distributes funds proportional to each entity's participation in regulatory activities. Option 2 represents a 3.5 percent increase to each liaison contract commensurate with the 3.5 percent increase in the Council's PPA/MPS budget. The BC recommends using Option 1 for the distribution of additional funds to the liaison contracts to the states and PSMFC.

The BC expressed interest in revisiting and updating the 1999 Groundfish Fishery Strategic Plan and recommends that the Council add this task to the list of future projects in the grant narrative.

### **Budget Committee Recommendations**

- 1. Add the review and update of the Groundfish Fishery Strategic Plan to the grant narrative and begin planning for this project through the Council's workload planning process.**
- 2. Increase 2020 liaison contract funding in response to the proposed PPA and MSA funding levels proportional to regulatory participation (Option 1). The BC recommends using this method for 2020 in the 2020-2024 grant budget with increases**

**in years 2021-2024 to be based on the 5 percent increases for planning purposes with the expectation that the BC will address future contracts on a yearly basis.**

PFMC  
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