

REPORT OF THE BUDGET COMMITTEE

The Budget Committee (BC) met on Wednesday, November 3, 2010. The following BC members were present:

Mr. Jerry Mallet, Chairman	Mr. Mark Helvey
Mr. Phil Anderson	Mr. Frank Lockhart
Mr. Mark Cedergreen	Mr. Rod Moore
Dr. David Hanson	Mr. Dan Wolford

Absent: None

Others Present: Dr. John Coon, Mr. Don Hansen, Ms. Dorothy Lowman, and Dr. Don McIsaac.

After approving the meeting agenda, the BC received the Executive Director's budget report which covered:

- Status of the calendar year (CY) 2010 operational budget and expenditures through September 30, 2010
- Projection of the year-end budget balance
- Payment of advisory body stipends for CY 2010
- Potential funding and provisional CY 2011 operating budgets under contingent budget scenarios.

Status of CY 2010 Budget and Expenditures

Dr. McIsaac reviewed the CY 2010 budget and expenditures by major category as of September 30, 2010, including a current projection of expected year-end balances. The projection indicates a positive balance at year's end of about 2.5% of the total budget.

Payment of Advisory Body Stipends for CY 2010

The BC reviewed the Council's payment of stipends in 2009 and guidance for payment in 2010 (Closed Session A.1.a, Supplemental Attachment 6). The BC confirmed that the Council has been provided with and is authorized to spend up to \$85,000 in CY 2010 on stipend payments (compared to \$73,375 in 2009). Staff explained the steps that would be necessary to implement the stipend payments in 2010 on the same basis as was done in 2009.

Provisional CY 2011 Operating Budgets under a Range of Potential Funding Scenarios

At the present time, the Federal Government is being funded for Federal fiscal year (FY) 2011 under a continuing resolution. It is uncertain as to when the final budget will be determined. Therefore, it is likely the Council's final CY 2011 budget will not be known for some time. To account for this uncertainty, Dr. McIsaac identified provisional total operating budgets for CY 2011 under a range of four FY 2011 funding scenarios for BC discussion and consideration. The funding scenarios range from a low point of less than the FY 2010 level to a high point of greater than the President's request level.

Budget Committee Recommendations

The Budget Committee recommends the Council:

1. Approve the obligation of \$85,000 (which has been authorized and received for stipend payment) to be distributed equally on a per meeting-day basis to members of the SSC and the Council advisory bodies designated by the Council as “advisory panels” who are not management or enforcement entity employees or contractors.

[Note: This program is proposed on the same basis as used for the 2009 program. However, implementation in 2010 will require the Council to take action under Agenda Item K.3 to designate which of its advisory bodies qualify as “advisory panels” under Section 302(g)(2) of the Magnuson-Stevens Act. Agenda Item K.3.a, Supplemental Attachment 1 lays out the needed Council actions, which include a charge from the Council Chairman and direction to amend the Council’s Statement of Organization Practices and Procedures and Council Operating Procedures.]

2. Approve the following provisional budget amounts, contingent on the amount of FY 2011 funding received. The budgets are considered provisional in that they are pending final cost of living and travel reimbursement levels that are yet to be established for CY 2011 for Regional Fishery Management Council operations. Provisional budgets that include liaison contracts at the \$870,814 level (double the pre-2010 level) are provided on a one year basis for increased participation in advisory body activities beyond what has been the average case of the several years prior to 2010.

FY 2011 Funding Level	Provisional CY 2010 Budget	Liaison Contract Amount
Appreciably Less than the FY 2010 Level	TBD at the March or April 2011 Council Meeting	TBD at the March or April 2011 Council Meeting
FY 2010 Status Quo Level	\$4,768,890	\$870,814
President’s Request Level	\$4,868,890	\$870,814
Appreciably More than the President’s Request Level	\$4,868,890 Plus an amount TBD at the April or June 2011 Council Meeting	\$870,814