

**Administrative / Budget Committee Report
August 14, 2023
General Joe Spraggins – Chair**

The Committee adopted the agenda (**Tab G, No. 1**) with the modification that the information from item **Tab G No. 6b** is incorporated in the presentation of **Tab G No 6a**. The minutes (**Tab G, No. 2**) of the January 2023 meeting were approved as written.

Presentation of the 2021-2022 Audit Report (Tab G, No. 3)

Tab G, No. 3 was an informational presentation of the results of the 2021-2022 biennial audit. The independent audit firm issued an unmodified opinion. There were no questioned costs, required adjustments, or material weaknesses noted in procedures. No further action was required. A committee member asked for an explanation of the notation of questioned costs. Staff explained that this is referencing the portion of testing related to the firm’s review of any costs that might be questioned. The firm indicated that all costs seemed reasonable and none were questionable. The audit results will be uploaded to the Federal Audit Clearinghouse to become public record.

Review of Final 2023 Funded Budget and Activities (Tab G, No. 4)

Staff presented the proposed funded 2023 budget in **Tab G, No. 4**. Staff also shared the figures for funding and obligations incurred to date. The current carry-over from the first three years is \$778,700.

The Committee recommends, and I so move: **that the Council approve the final 2023 Budget as written.**

Motion carried with no opposition.

Overview of NOAA Fisheries Inflation Reduction Act (IRA) Funding

Dr. Evan Howell from NOAA’s Office of Science and Technology provided a presentation on the Inflation Reduction Act funding for Climate Ready Fisheries in **Tab G, No 6a**. A committee member requested that the Agency provide annual updates to the Council on the progress of the programs and expenditures funded under the IRA. Dr. Howell noted that there is a requirement in place to report the progress of IRA funded programs to Congress annually so a report can also be shared with the Councils. A Council member requested clarification on the timeline that the Council will have to expend the funds that will need to be obligated by September 30, 2026. Dr. Howell stated that if the funds are obligated by that date, then the period allowed to complete the work may be longer, up to the life of the project.

A committee member expressed the desire for NOAA to consider a holistic approach in leveraging the multiple funding sources that will be coming up in the near future. Staff asked when the decision will be made for the data acquisition piece of the funding. Dr. Howell stated that this has already been completed for the current period and the decisions for 2024 will be

completed by the end of September. Staff emphasized the need for expanded fishery-independent survey and monitoring data in the Southeast Region. Dr. Howell noted that he would speak with the sub component lead staff about our essential data needs.

Council staff provided an overview of a request made by the Regional Fishery Management Council Executive Directors in reply to the initial proposal for the funding process for the \$20 million dollars in IRA funds earmarked for the Councils (**Tab G , No 6c**). A committee member asked if we have received a response from agency leadership about the Councils' response. Staff clarified that will be discussed on a call with NOAA staff scheduled for next week.

Mr. Chair, this concludes my report.