

Multiple Agency Fiscal Note Summary

Bill Number: 5145 SB S	Title: Boater safety & education
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
State Parks and Recreation Commission	0	246,800	0	1,072,940	0	877,680
Total \$	0	246,800	0	1,072,940	0	877,680

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
State Parks and Recreation Commission	.9	0	246,800	4.5	0	1,072,940	3.5	0	877,680
Total	0.9	\$0	\$246,800	4.5	\$0	\$1,072,940	3.5	\$0	\$877,680

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final 2/24/2005
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 5145 SB S	Title: Boater safety & education	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/14/2005
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/16/2005
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/16/2005
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 02/16/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SSB 5145 creates the boating safety education certification account. Earnings from investments will be credited to the general fund.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence differing earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2004 Revenue Forecast, the net rate for estimating earnings for FY 05 is 1.70%, FY 06 is 2.72%, and FY 07 is 2.99%. Approximately \$17,000 in FY 05, \$27,200 in FY 06, and \$29,900 in FY 07 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There will be an impact on the Debt Service Limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, General State Revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SSB 5145 creates the boating safety education certification account. Earnings from investments will be credited to the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Revised

Bill Number: 5145 SB S	Title: Boater safety & education	Agency: 465-State Parks and Recreation Comm
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
All Other Funds-Non-Appropriated 000-6	46,800	200,000	246,800	1,072,940	877,680
Total \$	46,800	200,000	246,800	1,072,940	877,680

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.4	1.5	0.9	4.5	3.5
Fund					
All Other Funds-Non-Appropriated 000-6	46,800	200,000	246,800	1,072,940	877,680
Total \$	46,800	200,000	246,800	1,072,940	877,680

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/14/2005
Agency Preparation: Toni Lick	Phone: (360) 586-6609	Date: 02/22/2005
Agency Approval: Robyn Malmberg	Phone: 360-902-8540	Date: 02/23/2005
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/24/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The purpose of this bill is to provide a boater safety education program which will contribute to the reduction of on-the-water accidents by all operators of recreational vessels.

Section 3

The proposed legislation would require State Parks to establish a boating safety education program for operators of boats by January 1, 2016. State Parks and Recreation Commission would adopt minimum competency standards that are consistent with those set by the National Association of State Boating Law Administrators. These include:

1. Establishing and adopting minimum standards for the boating safety course of instruction and examination based on national standards;
2. Accrediting boating safety education courses operated by volunteers, commercial and/or non-profit organizations;
3. Developing an equivalency examination that may be taken as an alternative to the boating safety education course;
4. Establishing a fee of ten dollars for the boater education card;
5. Establishing a fee for the replacement of the boater education card that cover the cost of replacement; and
6. Involving public and commercial agencies in the administration of the program.
7. Provide online boating safety education courses
8. Providing a report to the legislature by January 1, 2008 on its implementation progress.

The program will be phased in over seven years beginning January 1, 2008 all boaters twenty years & younger must possess a card. The phase is as follows:

2008 - 20 years & under

2009 - 21 - 25 years of age

2010 - 26 - 30 years of age

2011 - 31 - 35 years of age

2012 - 36 - 40 years of age

2013 - 41 - 50 years of age

2014 - 51 - 60 years of age

2015 - 70 or younger

2016 - all boat operators

Those born before January 1, 1955 are exempt

Section 3 (f) establishes a fee of ten dollars per card to support the program and would provide grants to local marine law enforcement programs with any surplus funds

Section 4

This section identifies the individuals that would be required to have a boater education card and those who would be exempt. It would require the boater to have in his or her possession the boater education card or certificate of accomplishment of a course while operating a vessel of fifteen horsepower or more. SBS lowers the age of mandatory certification from 16 to 12 years of age and raises the minimum motor horse power from 10 to 15. We cannot find motors in the 10-15 hp range, so our assumptions on the number of boats registered in the State has not changed. It also exempts individuals born before January 1, 1955. This will drastically reduce revenue in 2014 and will eliminate revenue in 2015 except for new boat operators.

The bill would require boaters at least twelve years of age operating a boat to obtain a boater education card from the Commission prior to operating such a boat. This section sets the fee at \$10 per card. The program will be phased over eleven years.

Persons who are required to have a boater education card or a certificate of accomplishment would be individuals who operate motor driven boats and vessels of fifteen horsepower or more and are 12 years of age or more. SBS requires Individuals at least 12 years of age and operating a boat of 15 horsepower (except personal watercraft) or more would be required to be accompanied by a person 16 years of age or older who is in possession of a boater education card.

Persons who would be exempt include individuals born before January 1, 1955, non-residents who are not in Washington waters for more than sixty consecutive days, non-residents who are in possession of out-of-state or out-of-country licenses or boater education cards. Individuals 12 years and older who rent or charter a boat must have completed an approved dockside motor vessel operator and safety checklist provided by the Commission. Failure to possess a boater education card/certificate of accomplishment would be an infraction although the penalty shall be reduced if the boater provides to the court proof of receipt of a boater education card or certificate of accomplishment within sixty days.

Section 5

This section would establish a boating safety education certification account within the state treasury. Expenditures from this account would only be used for mandatory boater safety education.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The bill has two important dates. The first is when the bill goes into effect. That date is July 1, 2005. The second date is when boater certification is mandatory for boat operators 20 years and younger. That date is January 1, 2008. After the bill passes, any boater of any age that is eligible to receive a card may apply for a card.

We do not know the number of Washington boat operators or their ages. Employing actual Census data and data from the Oregon Marine Board's Boater Certification program, which began in 1999, the following assumptions were made:

- 1) Assuming that the number of boat operators by age group is going to be similar in both states and knowing the percentage of cards issued in Oregon by age group, the same percentages can be applied to the number of registered boats in Washington. Percentage of cards issued by age group in Oregon are 13 & under – 2%; 14-15 years of age – 6%; 16-18 years of age – 8%; 19-29 years of age – 22%; 30-39 years of age – 24%, 40-49 years of age – 20%; 50-59 years of age is 12% and 60 and over – 6%. We are assuming that the 13 & under group is 12-13 years of age.
- 2) Census data tells us that Washington's population is 41% greater than Oregon; however there are only 25% more boats in Washington than Oregon. Therefore, we will multiply the # of cards in Oregon by 1.25%.
- 3) We don't know the number of boat operators in Washington; however, we do know there are 267,000 registered boats in the state with horsepower of 15 or more. Some owners have more than one boat and some boats will have more than one operator. We will assume that cards will be
- 4) 13 & under (2%) = 5,340 cards x 1.25% = 6,675 cards. This is a change from our previous assumptions.
- 5) 14-15 years of age (6%) = 16,020 cards x 1.25% = 20,025 cards. This is a change from our previous assumptions.
- 6) 16-18 years of age (8%) = 21,360 cards x 1.25% = 26,700cards
- 7) 19-29 years of age (22%) = 58,740 cards x 1.25% = 73,425 cards (assumes equal cards per age (7,342 per year)).
- 8) 30-39 years of age (24%) = 64,080 cards x 1.25% = 80,100 cards (assumes equal cards per age (8,900per year)).
- 9) 40-49 years of age (20%) = 53,400 cards x 1.25% = 66,750 cards (assumes equal cards per age (7,416 per year)).
- 10) 50-59 years of age (12%) = 32,040 cards 50 & over are exempted in section 4 (3) (j). This is a change from our previous assumptions.
- 11) 60 & over (6%) = Exempt. This is a change from our previous assumptions.

Also, based on Oregon's history we know that those individuals who have already met the safety and education requirement will want to get their cards as soon as possible. We estimate that we will be able to begin issuing cards in the spring of 2006 (FY06) and that 4,680 cards will be issued. We will issue another 20,000 cards in FY 07.

Besides processing new applications, we will begin receiving requests for replacement cards in FY 09. We estimate approximately 5,000 replacement cards; will be issued annually at a cost of one-half the cost of the initial card (\$5.00).

The phase-in schedule is estimated to produce revenue as follows:

Early issuances

FY 06 – 4,680 cards = \$46,800

FY 07 – 20,000 cards = \$200,000

Mandatory card required

FY 08 – operators 12-20 years = New total: \$680,840

13 & under – 6,675 cards total = 66,750. This is a change from our previous assumptions.

14 – 15 years old – 20,025 cards total = 200,250. This is a change from our previous assumptions.

16 - 18 years old - 26,700 cards total at \$10.00 each = \$267,000

19 - 20 years old - 7,342 cards per year x 2 = 14,684 cards at \$10.00 each = \$146,840

FY 09 – operators 21-25 years = \$392,100 (7,342 cards per year X 5 = 36,710 cards at \$10.00 each = \$367,100 + 5,000 replacement cards @ \$5.00 = \$ 25,000)

FY10 – operators 26-30 years = \$407,680 (7,342 cards per year x 4 = 29,368 cards at \$10.00 each = \$293,680 + 30 years old at 8,900 per year = 8,900 cards at \$10.00 each = \$ 89,000 + 5,000 replacement cards @ \$5.00 each = \$ 25,000)

FY 11 – operators 31-35 years = \$470,000 (8,900 cards per year x 5 = 44,500 cards at \$10.00 each = \$ 445,000 + 5,000 replacement cards @ \$5.00 = \$ 25,000)

The mandatory education program is designed to be a user-funded program. The program will begin July 1, 2005. The program start-up will be staggered and dependent upon revenue. A Program Coordinator will be hired part time in January 2006 to provide outreach, attend meetings and develop rules. Cards issued in FY 06 will be prepared by the boating staff. An information technology systems specialist will be hired in the late spring of 2006 to develop an in-house data base that will be used until there is sufficient revenue to purchase Oregon's system. In FY 07 the specialist will modify Oregon's system to accommodate Washington's requirements and to test the modified system's compatibility with the Washington State Patrol's data base.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

State parks assumes it will take a minimum of one year for staff to develop the program. Existing boating staff will begin our media campaign as soon as the legislation is passed, using the existing media budget. Based on Oregon's experience, many boaters will not want to wait to get their certificate/card. Therefore, we expect to see revenue as soon as the spring of 2006. All costs associated with this program will be phased in as dictated by revenue generation.

The agency believes that in order to minimize ongoing expenses for this program, technology needs to be applied wherever possible, providing it is cost effective. The program will initiate the on-line boating safety education course as soon as the revenue is available to do so.

Program Staffing

The following staff will be needed to implement and support the on-going program and will be staggered based on receipt

of revenue:

- Program Coordinator, (52K) will supervise state wide outreach program and activities of office assistant and data entry operator. Solicit provider organizations participation. Attend meetings of Coast Guard Auxiliary, Power Squadron, etc.
- Office Assistant (28K) will respond to incoming calls and answer telephone requests. Receive and process incoming mail, including logging checks. Perform the manufacturing process of the boater education cards. Backup the data entry operator in the preparation process.
- Data Entry Operator (26K) will perform the preparation process of the mandatory boat education cards. This may be temporary workers until the program grows and stabilizes
- Information Technology System Specialist- Due to the volume of information technology system development and maintenance activities the agency has programmed in an Information Technology System Specialist (ITSS) position for 18 months . At the end of that period normal maintenance activities will be taken over by the agency's Information Management program, and covered under the indirect costs. A ITSS (58K) will be hired 1 month in FY 06 to develop an inhouse data base that will be used until there is sufficient revenue to purchase Oregon's system.

Benefits are estimated at 25% of salaries.

Goods and services consists of: Office supplies, card stock, paper, postage, phone, simon and scan, rent of \$768 per year, Annual Hardware/Software maintenance of \$3,000 per year, employee training and media outreach.

Travel includes travel to review and audit course providers once the program is operational.

System costs Include:

Washington State Patrol Link – a one-time cost of \$10,000. The link to the WSP data base allows law enforcement officers access to verify boater certification while they are on-the-water. This will be used in the case where the boating operator does not have a card in hand. Local marine law enforcement officers have also requested this capability.

Purchase of Oregon's boater education card management system at \$20,000 one-time cost– The agency reviewed several options, including other states and Canada's mandatory boat operator permit program. Staff rejected DOL's on-line licensing system because of our need to have a boater education completion certificate (hard copy) present when submitting an application for an operator card.. The purchase of Oregon's boater education card management system allows the state to utilize software developed specifically for the boater education program without having to reinvent the wheel. This is endorsed by the Washington Alliance for Mandatory Boater Education Committee (WAMBE) and our Department of Information Services coordinator. Oregon has agreed to transfer a copy of this computer application to us at a minimal cost. We understand this application will require some modification to conform to Washington State government's business practices.

Equipment costs include:

Computer software: scanning software - \$3,000, office software – 1,600.

Computer Hardware: 4 computers \$6,000, 2 scanners - \$9,000, 2 Card printers - \$12,000, 2 Printers, \$3,000.

Indirect rate is calculated at 25% of objects A & B.

Grants will be provided to local marine law enforcement programs as surplus funds are available which is anticipated to start in FY08. It is also anticipated a fund balance will be left in the account for emergencies.

FY06 - staff costs for 6 months half-time program coordinator and IT specialist for 1month, \$6000 for supplies, \$10,000 for media outreach, \$1000 for travel, \$3100 for software and computer plus indirect.

FY07 - staff costs for full time program coordinator and 6 months of Information Tech Specialist, \$20,000 to purchase Oregon system, \$10,000 to link to WSP data base, goods and services includes rent and more for postage, supplies and printing and media outreach estimated at \$26,653 Travel \$1000, and equipment for another computer and printer.

FY08 - staff costs for program coordinator, office assistant, 2 data entry and full time Information Tech Specialist. Goods and Services includes more for supplies, printing, postage, rent and \$3000 for staff training and \$3000 on-going for computer software/maintenance. Media outreach \$50,000. Travel \$4000. Equipment costs for scanning software, 2 more computers, scanner, card printers and computer printers. Grants equal net for revenue and expenditures.

FY09 - staff costs program coordinator, office assistance and 2 data entry, goods and services and travel same as FY08, another scanner is purchased and grants equal net for revenue and expenditures.

FY10 - staffing same as FY09, goods and services and travel same except media outreach down to \$25,000. Grants equal net for revenue and expenditures.

FY11 staffing for coordinator, office assistant and one data entry. Goods and services for supplies, postage and printing approximately half of FY10. Media outreach and travel the same as FY10. Grants equal net of revenue and expenditures.

This activity is supported by Activity Inventory A003 – Boating Safety and Environmental.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.4	1.5	0.9	4.5	3.5
A-Salaries and Wages	17,116	78,006	95,122	316,788	233,160
B-Employee Benefits	4,214	19,501	23,715	79,197	58,290
C-Personal Service Contracts		30,000	30,000		
E-Goods and Services	16,000	43,921	59,921	181,736	114,636
G-Travel	1,000	1,000	2,000	8,000	8,000
J-Capital Outlays	3,100	3,000	6,100	28,500	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				358,931	390,149
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Indirect rate (.252 of A & B)	5,370	24,572	29,942	99,788	73,445
Total:	\$46,800	\$200,000	\$246,800	\$1,072,940	\$877,680

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Data entry Operator	26,376				2.0	1.5
IT Application Sp 4	57,250	0.1	0.5	0.3	0.5	
Office Assistant	27,636				1.0	1.0
Program Coordinator	49,380	0.3	1.0	0.6	1.0	1.0
Total FTE's		0.4	1.5	0.9	4.5	3.5

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 3 would require State Parks to adopt rules to establish and implement a program of mandatory boat operator education to include:

- 1) A minimum standard of boating safety education accomplishment, instruction and examination consistent with

applicable standards established by the national association of state boating law administrators minimum standards.

2) Training on preventing the spread of aquatic invasive species.

3) A program to accredit boating safety education courses operated by volunteers, commercial or nonprofit organizations with special consideration given to courses offered by the US Coast Guard Auxiliary and U.S. Power Squadrons.

4) Provision of an equivalency exam for the boater education card.

We estimate the cost to be \$17,116 in FY 06. This amount is included in our expenditure estimate. Expenditures include staff time, council meetings and printing.

OFM Notes:

Three minor items need to be clarified:

1) In Part IIA, the narrative describing the impact of Section 3, bulleted item 7 should read: "Approve and accredit online boating safety education courses."

2) In Part IIC, paragraph two, last line should read: "The program will initiate the approval and accreditation of on-line boating safety education courses as soon as the revenue is available to do so."

3) In Part IIC, last paragraph before the per-fiscal year summary paragraphs, beginning with "Grants will be provided to local marine law enforcement programs...", delete the sentence, "It is also anticipated a fund balance will be left in the account for emergencies."