

Multiple Agency Fiscal Note Summary

Bill Number: 5447 SB	Title: Coastal Dungeness crab
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Fish and Wildlife	0	0	(73,600)	37,426,400	(73,600)	(73,600)
Total \$	0	0	(73,600)	37,426,400	(73,600)	(73,600)

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

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	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
Department of Fish and Wildlife	.0	43,200	43,200	.5	0	50,000,000	.0	0	0
Total	0.0	\$43,200	\$43,200	0.5	\$0	\$50,000,000	0.0	\$0	\$0

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

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Prepared by: Jim Cahill, OFM	Phone: 360-902-0569	Date Published: Final 1/25/2007
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 14969

Individual State Agency Fiscal Note

Bill Number: 5447 SB	Title: Coastal Dungeness crab	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 2008	FY 2009	2007-09	2009-11	2011-13
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: 01/20/2007
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 01/22/2007
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 01/22/2007
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 01/22/2007

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.

SB 5447 creates the Dungeness crab-coastal fishery buyback program 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 different 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 2006 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.18% and FY 09 is 4.21%. Approximately \$41,800 in FY 08 and \$42,100 in FY 09 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 may 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.

SB 5447 creates the Dungeness crab-coastal fishery buyback program 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 2008	FY 2009	2007-09	2009-11	2011-13
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

Bill Number: 5447 SB	Title: Coastal Dungeness crab	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
General Fund-State 001-1				(73,600)	(73,600)
Dungeness crab-coastal fishery buyback program account-Federal NEW-2				37,500,000	
Total \$				37,426,400	(73,600)

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.0	0.0	0.0	0.5	0.0
Fund					
General Fund-State 001-1	43,200	0	43,200	0	0
Dungeness crab-coastal fishery buyback program account-State NEW-1	0	0	0	12,500,000	0
Dungeness crab-coastal fishery buyback program account-Federal NEW-2	0	0	0	37,500,000	0
Total \$	43,200	0	43,200	50,000,000	0

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: 01/20/2007
Agency Preparation: Deb Kuttel	Phone: 360-902-2819	Date: 01/23/2007
Agency Approval: Ron McQueen	Phone: 360-902-2204	Date: 01/25/2007
OFM Review: Jim Cahill	Phone: 360-902-0569	Date: 01/25/2007

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.

Section 2 of this bill authorizes the Washington Department of Fish and Wildlife to develop a Dungeness crab coastal fishery buyback program with the goals of maximizing the sustainability of the crab resource and the fleet. The program must provide for the purchase and permanent retirement of Dungeness crab-coastal fishery licenses. The Department:

- 1) will design it with the goal of purchasing between eighty and one hundred licenses.
- 2) may also purchase crab vessels designated on Dungeness crab-coastal fishery licenses. Funding for the program will be contributed by 25% from the state and 75% from the federal government.
- 3) must include mechanisms for the administration of the program, also for the participation and conditions placed upon the participants and the requirements of the selection processes.
- 4) must consult with the industry in developing the program, and the participation is voluntary.
- 5) must submit a report detailing the program to the appropriate policy and fiscal committees by December 1, 2007.

Section 2 expires on June 30, 2010.

Section 3 of this bill creates a Dungeness crab-coastal fishery buyback account that is subject to allotment procedures but does not require an appropriation for expenditures. The Department may not implement this program until the Director determines that sufficient funds are available to provide for significant progress toward the goal.

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.

Based on responses to a recent questionnaire mailed to all Coastal-Crab Dungeness License holders, it will cost approximately \$50 million to purchase the minimum stated goal of the measure of 80 licenses. The measure specifies that 25% of the revenue that funds the measure will come from state funds, and 75% from federal fund sources. The funds derived from these two sources will be deposited in the Dungeness crab-coastal fishery buyback program account created by this measure in the custody of the state treasurer. Since the bill is silent on how the 25% state match will be provided to fund this measure, there will be no estimate for state funds. Seventy-five percent of the total cost of \$50 million, or \$37,500,000, is estimated to come from the federal government.

It is estimated that the State General Fund will lose \$36,800 annually in coastal crab license renewal fees if approximately 80 of these licenses were purchased. The Department estimates that approximately 64 resident and 16 non-resident licenses will be purchased in the buyback. Revenues are estimated as follows:

Coastal crab license renewal fee from residents:	\$415 each x 64 licenses = \$26,560
Coastal crab license renewal fee from non-residents:	\$640 each x 16 licenses = \$10,240
Total license renewal fees:	\$36,800

WDFW assumes that renewals for these licenses will discontinue in FY 2010.

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.

Based on responses to a recent questionnaire mailed to all Coastal-Crab Dungeness License holders, it will cost approximately \$50 million to purchase the minimum stated goal of the measure of 80 licenses. In this survey, the one option that yielded the 80 license goal was the purchase of licenses at the average cost of approximately \$600,000 per license.

To develop this type of program in the most efficient and effective manner, the Department must employ the services of an outside person with the expertise to develop such a program. In addition, such a program would likely seek funds under the provisions of the Magnuson-Stevens Fishery Conservation and Management Act (Act), whereby, the Governor may request the Secretary of Commerce to conduct a capacity reduction program, provided the fishery and program meets the terms and conditions prescribed in the Act. As a result, expert services from someone experienced in developing a successful fishing capacity program would greatly enhance the opportunity for federal funding assistance.

2007-09 Biennium: A one-time cost for a personal services contract in the amount of \$38,400 would be needed for program design, business plan development, data analysis, and cost-benefit analysis. Administrative cost of 12.5% has been added to goods and services and includes \$4,800 in FY08.

2009-11 Biennium: Based on previous Salmon buyback programs, it is estimated that approximately .005% of the \$50,000,000 funds, or \$250,000, will be used to administer the Dungeness buyback program:

- Salaries and benefits for .5 FTE Customer Service Specialist 3, and .5 FTE Financial Analyst 3, to process the certified bid process, reconcile, and audit the \$50,000,000 in buyback revenue: \$59,732
- Goods and services cover the costs for supplies, certified mailing, public notices, etc., to announce and administer a certified bid process for the buyback program: \$190,268
- License Buyback Costs: \$49,750,000

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years				0.5	
A-Salaries and Wages				43,404	
B-Employee Benefits				16,328	
C-Personal Service Contracts	38,400		38,400		
E-Goods and Services	4,800		4,800	190,268	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				49,750,000	
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$43,200	\$0	\$43,200	\$50,000,000	\$0

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 2008	FY 2009	2007-09	2009-11	2011-13
Customer Service Specialist 3	37,536				0.3	
Financial Analyst 3	49,272				0.3	
Total FTE's					0.5	0.0

Part IV: Capital Budget Impact

NA

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.

NA