

Multiple Agency Fiscal Note Summary

Bill Number: 1009 HB	Title: Endangered species agreemnts
-----------------------------	--

Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Natural Resources	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Fish and Wildlife	.2	16,940	32,700	.0	0	0	.0	0	0
Department of Natural Resources	.4	30,000	90,000	.0	0	0	.0	0	0
Total	0.6	\$46,940	\$122,700	0.0	\$0	\$0	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

Prepared by: Chris Stanley, OFM	Phone: (360) 902-9810	Date Published: Final
--	---------------------------------	---------------------------------

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 27785

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1009 HB	Title: Endangered species agreemnts	Agency: 477-Department of Fish and Wildlife
-----------------------------	--	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.2	0.1	0.2	0.0	0.0
Account					
General Fund-State 001-1	7,400	9,540	16,940	0	0
General Fund-Federal 001-2	0	6,360	6,360	0	0
State Wildlife Account-State 104 -1	9,400	0	9,400	0	0
Total \$	16,800	15,900	32,700	0	0

Estimated Capital Budget Impact:

NONE

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: 01/18/2011
Agency Preparation: Kathy Cody	Phone: 360-902-2283	Date: 01/24/2011
Agency Approval: David Giglio	Phone: (360) 902-8128	Date: 01/24/2011
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 01/24/2011

Request # 11-FN022-2

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 (1) of the bill would prohibit WDFW from entering into a habitat conservation plan (HCP), or other multiyear agreement with the federal government under the Endangered Species Act (ESA), without “prior express direction” from the legislature, in the form of a passed bill authorizing the agreement.

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.

WDFW estimates \$57,700,000 in federal awards that will have the potential to be disrupted or eliminated, though making an estimate for actual loss in revenue is impossible.

ESA Related Agreement Impacts

Long-term ESA related agreements are required for the Fish Program to conduct fishery research, monitoring, and assessment activities in areas of the state that contain ESA listed species. Without those agreements, the health and status of those critical stocks would become unknown.

The Department would be ineligible for grant funding from the federal government to assess, monitor and recovery ESA listed species without federal agreements. Federal grant opportunities occur during certain time periods of the year and are only open for a set time. Waiting for Legislative direction may preclude an opportunity to apply for a federal grant; WDFW estimates receiving an estimated \$40,700,000 in federal agreements each year.

Wildlife Area Habitat Conservation Plans and Hydraulic Permit Approval Habitat Conservation Plan Impacts

WDFW has a very successful history of receiving federal funds in the form of “Section 6” grants for the protection of threatened and endangered species, including over \$5 million for the development of the Hydraulic Project Approval and Wildlife Areas HCPs since 2006. Completed HCPs in Washington state have provided, on average, an additional \$12 million per year to advance protection for threatened and endangered species.

This bill would allow the legislature to require changes to HCP content that has been negotiated following a lengthy public process. If major changes are required, this may jeopardize the possibility of completing the HCP and jeopardize the possibility of receiving future federal Section 6 funds. WDFW relies on these federal grant funds to address recovery efforts for threatened and endangered species and for species at risk.

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.

Section 2 (1) of the bill would prohibit WDFW from entering into a habitat conservation plan (HCP), or other multiyear agreement with the federal government under the Endangered Species Act (ESA), without “prior express direction” from the legislature, in the form of the passage of a bill.

WDFW estimates three types of expenditure impacts:

- 1) The costs associated with getting legislative approve for HCPs, shown in this note.
- 2) Technically other federal agreements are affected by this bill. However, we understand the focus of this legislation is on HCPs and did not include the costs of requesting approval of other federal agreements. As WDFW has over 150 federal agreements, this would cost hundreds of thousands of dollars.
- 3) Lower expenditures tied to lost federal revenue as mentioned above. This potential impact is also indeterminate.

ESA Related Agreement Impacts

The Fish Program operates under many of these agreements to conduct fisheries (monitoring populations, setting seasons limits, and monitoring catch records) in Puget Sound, the Columbia River, and many freshwater rivers, streams, and tributaries across the state that contain ESA listed species. Without those agreements many substantial commercial and recreational fisheries would have to halt, creating significant economic hardship to the state and its local economies. Fisheries occur during certain time periods and waiting for Legislative direction could impact whether a fishery could be implemented or not.

Additionally, this fiscal note does NOT include costs associated with seeking approval for the fisheries management agreements that WDFW routinely and regularly enters into with the federal government under the Endangered Species Act as described above. This bill appears to be intended to address only Habitat Conservation Plans, but as written, may technically apply to the ongoing fisheries management activities of WDFW's Fish Program.

Therefore, while there will be additional one-time costs to prepare and present to the Legislature the long-term ESA related agreements that are in existence for Fish Program activities as well as potential Enforcement Program activities, these costs, which may be in excess of \$100,000 per year, are NOT included in this fiscal note.

Wildlife Area Habitat Conservation Plans and Hydraulic Permit Approval Habitat Conservation Plan Impacts

The draft Wildlife Areas HCP is currently expected to begin Federal review by the United States Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) in June 2011. The Hydraulic Project Approval HCP is still in development, with a target date for completion of a draft HCP document by December 2012.

To complete both HCPs, the bill would require additional time and effort in two areas: 1) capture legislative input by facilitating legislative HCP workshops, and 2) draft HCP enactment legislation and perform bill analyses and fiscal notes. WDFW estimates small amounts of time from various job classifications will be working on this activity, However, for simplicity, we are using an average 0.15 FTEs/yr of an Environmental Planner with an average salary of 60,000/yr.

The costs estimated in this fiscal note include those associated with seeking legislative approval of negotiated HCP content. Because it is impossible to anticipate the legislative response to such a request for approval, the subsequent costs associated with amending and renegotiating HCP content with stakeholders and the federal agencies have NOT been included in this fiscal note. These costs, while difficult to predict, may be significant, depending on the extent of changes potentially required by the legislature. As noted above, changes to negotiated HCP content may also jeopardize the possibility of completing the HCP document, which will involve additional costs in the form of future federal grant

funds for which WDFW would not be eligible without an approved HCP.

For purposes of this fiscal note, the following costs assumptions have been used:

Salaries (A) – Hiring is assumed to take place on during fiscal year 2012.

Benefits (B) - Calculated at 35.8% of salaries per state formulas.

Goods and Services (E) - Includes \$5,500/FTE/FY for WDFW standard costs, which is intended to cover an average employee's supplies, communications, training, and subscription costs per year.

An overhead rate of 23.32% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year.

Fund Split is based on percent acres acquired with hunting funds and percent acres acquired with habitat funds: 56% State Wildlife Fund/ 44% General Fund.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.2	0.1	0.2		
A-Salaries and Wages	9,500	9,200	18,700		
B-Employee Benefits	3,200	3,000	6,200		
C-Personal Service Contracts					
E-Goods and Services	4,100	3,700	7,800		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$16,800	\$15,900	\$32,700	\$0	\$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 2012	FY 2013	2011-13	2013-15	2015-17
Environmental Planner	60,000	0.2	0.1	0.2		
Total FTE's	60,000	0.2	0.1	0.2		0.0

Part IV: Capital Budget Impact

NONE

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: 1009 HB	Title: Endangered species agreemnts	Agency: 490-Department of Natural Resources
-----------------------------	--	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.9	0.0	0.4	0.0	0.0
Account					
General Fund-State 001-1	30,000	0	30,000	0	0
Forest Development Account-State 014-1	14,400	0	14,400	0	0
Resources Management Cost Account-State 041-1	45,600	0	45,600	0	0
Total \$	90,000	0	90,000	0	0

Estimated Capital Budget Impact:

NONE

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: 01/18/2011
Agency Preparation: Pouth Ing	Phone: (360) 902-1021	Date: 02/01/2011
Agency Approval: Cullen Stephenson	Phone: (360)902-1099	Date: 02/01/2011
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/02/2011

Request # 11-13-2

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.

HB 1009 prohibits the Department of Fish and Wildlife (WDFW), Department of Natural Resources (DNR), Parks and Recreation Commission (Parks), and Department of Ecology (DOE) from committing to provisions of a habitat conservation plan (HCP) under the Endangered Species Act, without prior express direction from the legislature. The bill would allow these agencies to seek funding to develop an HCP or negotiate its provisions, but may not commit the state to those provisions. Express direction is limited to passage of a bill that is either signed by the governor or allowed to take effect absent a gubernatorial signature that includes express direction to enter into a specific habitat conservation plan for a specific departmental function or landholding.

Section 3 prohibits DNR from officially entering into an HCP, or other multiyear agreement with the federal government under the endangered species act, 16 U.S.C. Sec 1531 et seq., that commits the state to future action or constrains future state options without prior express direction from the legislature.

The fiscal impacts of this bill for both expenditures and revenues are indeterminate, as the bill could generate a range of fiscal impacts as low as \$90,000 to \$1.3 million. The only specific cost represented in this fiscal note is \$90,000 for the additional time and staff needed to prepare proposed legislation and supporting information for legislative review. Three potential scenarios are: (1) a bill authorizing the finalization of an HCP is proposed and enacted by the legislature; (2) a bill is proposed, is not approved by the legislature due to some specific concerns, and the agency resolves those concerns and brings the bill back for second consideration and approval; and (3) a bill is proposed, not approved by the legislature, and no HCP is implemented.

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.

Impact to cash receipts is indeterminate. If a proposed HCP is not approved by the legislature, requiring DNR to revert to conducting species inventory surveys, it is estimated that the impact to revenues would be approximately \$60 million per biennium, 70% of which would impact the trust beneficiaries.

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.

The fiscal impacts of this bill for both expenditures and revenues are indeterminate, as the bill could generate a range of fiscal impacts as low as \$90,000 to \$1.3 million. The only specific cost represented in this fiscal note is \$90,000 for the additional time and staff needed to prepare proposed legislation and supporting information for legislative review. Three potential scenarios are: (1) a bill authorizing the finalization of an HCP is proposed and enacted by the legislature; (2) a bill is proposed, is not approved by the legislature due to some specific concerns, and the agency resolves those concerns and brings the bill back for second consideration and approval; and (3) a bill is proposed, not approved by the legislature, and no HCP is implemented.

All three scenarios would have an expenditure impact for the additional time and staff needed to prepare proposed legislation and supporting information for legislative review, at an approximate one-time cost of \$90,000 (DNR assumes 3 HCP's or HCP amendments @ \$30,000 each).

The expenditure costs under the second scenario would depend upon the specific concerns raised by the legislature. If a complete rewrite of the plan and SEPA/NEPA documents is required, including additional negotiations with the federal services, this could generate additional costs of up to \$1.3 million (one-time) per HCP.

The expenditure costs under the third scenario would assume a reinstatement of species inventory surveys. This would drive ongoing expenses of approximately \$1 million per biennium.

Salaries and benefits for staff are calculated based on FY10 rates.

Goods and services figures are based on program average costs and are intended to cover rent and workstation costs.

Administrative cost of 27% is applied to salary, benefits, standard goods and services, and travel.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.9		0.4		
A-Salaries and Wages	51,100		51,100		
B-Employee Benefits	14,500		14,500		
C-Personal Service Contracts					
E-Goods and Services	2,400		2,400		
G-Travel	2,400		2,400		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Administrative Costs	19,600		19,600		
Total:	\$90,000	\$0	\$90,000	\$0	\$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 2012	FY 2013	2011-13	2013-15	2015-17
Fiscal Analyst	45,828	0.2		0.1		
WMS 2	76,602	0.7		0.3		
Total FTE's	122,430	0.9		0.4		0.0

Part IV: Capital Budget Impact

NONE

No 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.

None.