

Individual State Agency Fiscal Note

Bill Number: 1270 S HB	Title: Salmon hatchery management	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	1.1	0.6	0.8	0.1	0.3
Account					
General Fund-State 001-1	143,900	110,300	254,200	18,400	45,000
Total \$	143,900	110,300	254,200	18,400	45,000

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.

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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 requires the Washington Department of Fish and Wildlife (WDFW) to issue one permit to a qualified regional aquaculture association (QRAA) based in a county that borders both Canada and the Puget Sound to construct and operate an individual salmon hatchery. If, however, there is no QRAA that satisfies the requirements of the permit, WDFW is not required to issue one.

Section 2 also requires WDFW to delineate the areas of state waters where the permitted hatchery is expected to have a significant positive effect on fishing opportunities. After four years, and every four years thereafter, WDFW may re-delineate the hatchery-affected area based on return data to more accurately reflect the areas of state waters where the permitted hatchery is expected to have a significant positive effect on fishing opportunities.

Section 4 requires WDFW to develop standards for hatchery manager certification, accept applications, and certify individuals as hatchery managers.

Section 5 requires WDFW to provide permitted hatcheries with production limits that emphasize production for pink, chum, and coho when requested.

Section 6 requires WDFW to restrict commercial harvest opportunities in the hatchery-affected areas to fishers who are financially participating in the capitalization and operating expenses of the enhanced fishing opportunities provided by the permitted hatchery and the associated QRAA. This does not apply to tribal or recreational fishers.

Sections 9-10 require the Fish and Wildlife Commission (FWC) to adopt rules by December 31, 2016 to implement this legislation.

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.

Section 2 provides that any money WDFW receives in return for issuing the permit must be used only for the implementation of this chapter. The bill does not authorize WDFW to charge a fee for permitting this hatchery program. If it were to, the Department assumes it would be similar to aquatic farmers (RCW 77.115.040), and the revenue would be only \$105, for one hatchery.

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.

For Sections 2, 4, 5, 6, 9, and 10, 1.0 FTE Natural Resource Scientist 4 will be needed for 18 months, as well as 0.1 FTE Fish Health Specialist.

The Natural Resource Scientist 4 position will:

- Develop criteria for and select appropriate areas for the hatchery-affected fisheries. In doing this, appropriate

public outreach and public meetings will be held. (Section 2)

- Create standards and a certification program for hatchery managers working with existing hatcheries staff and the QRAAs. (Section 4)
- Determine scope of program(s) with appropriate production limits consistent with fishery and conservation objectives and provide the limits to the QRAAs. (Section 5)
- Develop rule proposals and hold public meetings to structure the hatchery-affected area fisheries, and to prepare final rule proposals for FWC consideration. (Section 6).
- Develop rule proposals and hold public meetings as necessary to prepare final rule proposals for FWC consideration to adopt rules to implement this legislation (Sections 9 and 10).

This position is anticipated to provide the start-up support for implementation of this legislation. This position is anticipated to work July 2015 (FY2016) to December 2016 (FY2017).

Salaries: \$112,626. \$75,084 @ 18 months

Benefits: \$35,261. Based on 18 months.

Travel:

- Privately-owned vehicle mileage @ \$.575/mile @ 500 miles/month x 18 months = \$5,175.
- Necessary travel includes attendance at public meetings and meetings with QRAAs and hatchery site visits.

Goods & Services:

- Standard goods and services per FTE are estimated at \$5,000/FTE, which covers an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs. $\$5,000 \times 1.50 \text{ FTE} = \$7,500$ per year.

The Fish Health Specialist position is needed to:

- Provide fish health expertise in development of rule proposals and participate in determining scope of programs related to fish health and fish culture standards.
- Conduct site visits and provide fish health monitoring, diagnosis, and treatment recommendations to the QRAAs.

This position is anticipated to work at the onset of implementing this legislation and will also be needed for ongoing fish health management purposes and assistance to the QRAAs. This workload will average one month per year.

Salaries: \$4,931/year. One staff month/year = 0.08 FTE x \$61,632 annual salary

Benefits: \$1,680/year.

Travel: Privately-owned vehicle mileage @ \$.575/mile @ 600 miles (100 miles/day x 6 days) = \$345. Six days is based on one site visit per month for six months.

Goods & Services:

- Standard goods and services per FTE are estimated at \$5,000/FTE, which covers an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs. $\$5,000 \times .08 \text{ FTE} = \400 per year.

Section 6: In order to restrict commercial fishers' harvest opportunities in hatchery-affected areas, WDFW will ask commercial license applicants:

- whether they will be fishing in a hatchery-affected area and then, if yes,
- if they are participating financially in the hatchery.

WDFW will have to rely on the honor system to determine if they are allowed a license to fish in that area or not. Asking these two additional questions will involve only a change to the paper application forms, thus will cost a minimal amount. If, however, more verification of financial participation is required, costs could be significant.

In terms of enforcing the restrictions, Fish and Wildlife Police already check licenses of commercial salmon

fisheries and changes in licenses restricting harvest to hatchery-affected areas should have no fiscal impact. If hatchery-affected areas increase recreational participation, additional officer presence may be needed to maintain an orderly fishery in those areas in the future.

Section 9 requires that all rules adopted under this section must be designed to minimize the interaction among fish produced by permitted hatcheries and any wild stocks that occur in the hatchery-affected area. To ensure the permitted hatchery program minimizes interactions to wild stocks as required in rules adopted under this section, a Scientific Technician 2 is needed to:

- Monitor catch composition in the fisheries.
- Conduct biological sampling of the catch as needed.
- Conduct spawner ground surveys.

This position is anticipated to begin this work once fish begin returning for harvest, which is anticipated to be in the summer/fall of 2020. When this work will be conducted each year is dependent upon the timing of the runs returning, and the magnitude of the fishery(ies) resulting from the permitted hatchery. This fiscal note assumes one position is needed annually for two staff months in the summer/fall.

Salaries: \$6,395/year. Two staff months/year = .17 x \$37,620 annual salary Scientific Technician

Benefits: \$2,808/year.

Travel:

- Privately-owned vehicle mileage @ \$.575/mile @ 20 miles/day x 43 working days = \$495.
- Twenty miles per day is an estimate for the Scientific Technician to drive from their work station to the access area where the boats are located or to the permitted hatchery.

Goods & Services:

- Standard goods and services per FTE are estimated at \$5,000/FTE, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs. \$5,000 x .17 FTE = \$850/year.

Object E also includes an infrastructure and program support rate of 25.76%, and is calculated based on cost estimates for eligible objects each fiscal year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	1.1	0.6	0.8	0.1	0.3
A-Salaries and Wages	80,000	42,500	122,500	9,800	22,600
B-Employee Benefits	25,200	13,400	38,600	3,400	9,000
C-Professional Service Contracts					
E-Goods and Other Services	34,900	52,300	87,200	4,600	11,800
G-Travel	3,800	2,100	5,900	600	1,600
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:	\$143,900	\$110,300	\$254,200	\$18,400	\$45,000

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 2016	FY 2017	2015-17	2017-19	2019-21
Fish & Wildlife Health Specialist	61,632	0.1	0.1	0.1	0.1	0.1
Natural Resource Scientist 4	75,084	1.0	0.5	0.8		
Scientific Technician 2	37,620					0.2
Total FTE's	174,336	1.1	0.6	0.8	0.1	0.3

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.

Section 6: To adopt rules to implement this section, cost estimates include \$2,500 for at least one public hearing, and \$1,500 for one rule adoption. This public hearing and rule adoption is to structure the hatchery-affected area fisheries, and prepare final rule proposals for FWC consideration and adoption.

Sections 9 and 10: The FWC is required to adopt rules to implement the requirements of this chapter. Rulemaking must be completed by December 31, 2016. To adopt rules to implement this legislation, cost estimates include \$2,500 for at least one public hearing and \$1,500 for one rule adoption.

It is anticipated that one month at a cost of \$18,750 for Attorney General Office review would be required to ensure authorized harvests provided by this legislation do not conflict with existing federal agreements or other state laws.