

Individual State Agency Fiscal Note

Bill Number: 5567 S SB	Title: Commercial salmon fishing	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.
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Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	1.0	0.5	1.9	1.9
Account					
General Fund-State 001-1	0	243,000	243,000	568,000	568,000
Total \$	0	243,000	243,000	568,000	568,000

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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Agency Approval: Douglas Kramer	Phone: 360-801-8755	Date: 01/28/2022
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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.

Differences between SB 5567 and SSB 5567:

Section 3 amended RCW 77.65.160 by creating a commercial salmon pound net fishery license and fees. This amendment was completely removed and replaced with a new section to chapter 77.65. The new section provides the Washington Department of Fish and Wildlife (WDFW) authority, by rule, to use various fixed fishing gear types for selective commercial harvest of salmon.

Section 4 amended RCW 82.27.020 by increasing the excise tax on enhanced food fish. This amendment has been completely removed and replaced with a new section to chapter 77.65. The new section requires WDFW to implement a commercial pound net fishery by June 1, 2023 and complete a plan as required in section 3 of the bill and report findings to the legislature by December 1, 2022.

New Description:

Section 3 provides WDFW the authority, by rule, to use fixed fishing gear types for selective commercial harvest of salmon. Where commercial alternative gear types are proposed for use, WDFW must develop a plan to authorize, implement, and regulate the alternative commercial gear types prior to implementation of the fisheries and must do so while including the requirements described in subsection (2).

Section 4 requires WDFW, by rule, to authorize and implement a selective commercial pound net fishery in the lower Columbia river by June 1, 2023. It also requires WDFW to complete the implementation plan for this new fishery, as required in section 3 (2) of this bill, and report findings to the legislature by December 1, 2022.

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 4 (1) directs the department to report back to the legislature by December 1, 2022 on recommendations for pound net license structure and fees. WDFW does not have the authority to establish fishing licenses and fees, therefore, it is assumed that the new commercial pound net license and fee will be established in follow up legislation using the recommendations given by WDFW. Given this, the amount of cash receipts is indeterminate at this time.

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 3 is effectively expediting WDFW's existing emerging commercial fisheries (ECF) process. This new requirement, especially as it relates to the required report deadline set in Section 4 (1) of this bill, is essentially condensing a large workload into a relatively short period of time. Additional staff capacity will be needed to meet these requirements as well as the ongoing impacts this bill will have on the commercial fishery in the lower Columbia River. The cost impact of Section 3 and the related reporting requirements in Section 4 (1) are as follows:

Salaries and Benefits, objects A and B:

- 1 FTE Natural Resource Scientists, ongoing starting fiscal year 2023, this position will support the development of the pound net fishery implementation plan and coordination efforts between agency teams and other state, Federal and local agencies on appropriate sites, permits, enforcement and other elements of the fishery. The position will also be responsible

for leading the agency rulemaking process; developing recommended WAC language, gathering public input, and ensuring that the necessary environmental and economic review steps are followed. After the report is submitted and rulemaking is complete, this position's will focus on implementing the fisheries plan, overseeing the management and monitoring of the fishery and evaluating the effectiveness and efficiency of our mixed gear fishery at achieving management, conservation and recovery goals.

Salaries and benefits for this position will total \$120,000 starting in fiscal year 2023 and ongoing

Professional service contracts, object C:

- Additional support from a consultant with expertise in fisheries economics is required to support the development of the implementation plan and the associated report to the legislature. The consultant's expertise will provide support with the rulemaking, completing a State Environmental Protection Act (SEPA) checklist, and development of a Small Business Economic Impact Statement (SBEIS). The need is estimated at approximately 20 hours per week, from July 1, 2022 through November 30, 2022 (22 weeks), at \$107 per hour. $107 \text{ per hour} \times 20 \text{ hours per week} \times 22 \text{ weeks} = \$47,080$.

Professional service contract amount will total \$47,000 in fiscal year 2023 and will be one time.

Goods & Services, object E:

- \$7,000 per FTE, per year, for WDFW standard cost, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs.
- Rulemaking costs are required in fiscal year 2023 only, which include rule adoption for \$1,500 and estimated Assistant Attorney General fees of \$2,500 (approximately 20 hours at \$122 per hour).

Goods and services costs total \$11,000 in fiscal year 2023 and \$7,000 in fiscal year 2024 and ongoing.

Section 4 directs WDFW to implement a selective commercial pound net fishery in the lower Columbia River by June 1, 2023. Based on existing data, WDFW assumes that the newly established fishery would take place over the fall months and would consist of up to thirty fishing days spread throughout the fall. Since the assumption is that the fishery will take place in the fall, its assumed that WDFW will implement a pound net fishery by June 1, 2023 which will establish the fishery to take place starting fall of 2023. WDFW assumes, once established, that one commercial license in total could be purchased. These assumptions are based on the following:

- (1) there is currently one pound net installed in the mainstem Columbia River that has been used for research purposes. WDFW assumes this pound net could fish commercially if the bill passes,
- (2) pound nets are already legal in Oregon, yet they only have one known pound net installed for research purposes,
- (3) fishery season and number of fishing days is based off (a) there is no fish allocation available in the spring and there is no data to support a spring fishery, (b) there is not enough data to support a summer fishery at this time (c) the fall months is when the majority of existing commercial fishery occurs, (d) the thirty fishery days is a professional estimate using a recent five year average of the total number of commercial fishing days in the mainstem Columbia River, plus additional days needed given pound nets are less effective than current commercial gear types,
- (4) there is limited capacity of commercial licenses in Columbia River, fishing on a finite resource
- (5) pound nets are a fixed gear option in a fishery dominated by mobile gear. Existing mobile gear types are proven effective and can catch the commercial's allocation,
- (6) because pound nets are fixed, its success is highly dependent on the site location and in season fisheries management,
- (7) pound net installation requires significant capital investment. Currently its estimated that the infrastructure costs alone range from \$80,000 up to \$160,000,
- (8) there will be many challenges with finding sites that will allow the installation as well as with acquiring various permitting requirements,
- (9) between locating a site, receiving proper permits, and installing the gear, its estimated to take at least two years to complete a pound net installation.

Given the above assumptions, WDFW would need to establish a new commercial pound net fishery monitoring program for which the estimated costs are included below.

Salaries and Benefits, objects A and B:

- .2 FTE Fish and Wildlife Biologist 4, ongoing starting in fiscal year 2024, will provide technical oversight, data analysis, run reconstruction, and reporting on the monitoring program.
- .2 FTE Fish and Wildlife Biologist 2, ongoing starting in fiscal year 2024, will lead the sampling crew, occasionally traveling to the pound nets, assisting with the collection and analysis of data.
- .5 FTE Scientific Technician 2 (2 seasonal staff at 3 months each), ongoing starting in fiscal year 2024, these positions will routinely travel to the pound nets to, sample, survey, and collect data in support of the monitoring program.

Salaries and benefits for these positions will total \$74,000 starting in fiscal year 2024 and will be ongoing.

Goods and services, object E:

- \$7,000 per FTE, per year, for WDFW standard cost, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs.
- Starting fiscal year 2024 and ongoing, \$1,000 for field supplies are needed for the monitoring program. Items include ancillary items such as waders, life vests, buckets, and other necessary field sampling gear.

Goods and services costs total \$7,000 in fiscal year 2024 and ongoing.

Travel, object G:

- Starting fiscal year 2024 and ongoing, one motor pool vehicle will be required for the crew for in season routine travel to and from the pound net site location as well as for transporting biological samples to headquarters. Using Washington State Department of Enterprise Services, the monthly rate for a small 4x2 truck is \$286. \$286 per month x 3 months = \$858.

Travel costs total \$858 starting in fiscal year 2024 and ongoing (amount rounded to the nearest thousand in the expenditure by object table).

An infrastructure and program support rate of 36.28% is included in object T and is calculated based on WDFW's federally approved indirect rate.

If the Governor's proposed voluntary gillnet license reduction buyback program passes, it is indeterminate what the impacts to the newly established pound net fishery would be. If it results in an increased interest in the pound net fishery and additional licenses are purchased, WDFW would need to scale up its monitoring program and likely add additional enforcement officer capacity.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	243,000	243,000	568,000	568,000
Total \$			0	243,000	243,000	568,000	568,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.0	0.5	1.9	1.9
A-Salaries and Wages		89,000	89,000	278,000	278,000
B-Employee Benefits		31,000	31,000	110,000	110,000
C-Professional Service Contracts		47,000	47,000		
E-Goods and Other Services		11,000	11,000	28,000	28,000
G-Travel				2,000	2,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		65,000	65,000	150,000	150,000
9-					
Total \$	0	243,000	243,000	568,000	568,000

III. C - Operating FTE 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 2022	FY 2023	2021-23	2023-25	2025-27
Fish and Wildlife Biologist 2					0.2	0.2
Fish and Wildlife Biologist 4					0.2	0.2
Natural Resource Scientist 4			1.0	0.5	1.0	1.0
Scientific Technician 2					0.5	0.5
Total FTEs			1.0	0.5	1.9	1.9

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

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 3 requires costs in fiscal year 2023 for rulemaking in order to implement a new commercial salmon pound net fishery. Rulemaking costs include rule adoption for \$1,500 and estimated Assistant Attorney General fees of \$2,500 (approximately 20 hours at \$122 per hour).