

Individual State Agency Fiscal Note

Bill Number: 6147 SB	Title: Salmon purse seine fishing	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-State 001-1		(16,895)	(16,895)	(33,790)	(33,790)
Regional Fisheries Enhancement Group Account-State 209-1		(3,100)	(3,100)	(6,200)	(6,200)
Fish, Wildlife, and Conservation Account-State 24N-1		(3,255)	(3,255)	(6,510)	(6,510)
Total \$		(23,250)	(23,250)	(46,500)	(46,500)

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	1.5	0.8	0.0	0.0
Account					
General Fund-State 001-1	0	4,874,000	4,874,000	0	0
Total \$	0	4,874,000	4,874,000	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.

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Agency Approval: Patty Steele	Phone: (360) 902-2401	Date: 01/22/2024
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Part II: Narrative Explanation

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

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

Section 2 requires the Department of Fish and Wildlife (WDFW) to develop a Puget Sound Salmon Purse Seine License Buyback and Retirement Program. The program will be in effect from December 2024 to June 2025. The program will purchase Puget Sound salmon purse seine licenses for a cost of \$150,000. This section expires June 30, 2025.

Section 3 requires WDFW to rank all Puget Sound salmon purse seine licenses from one through 71, from highest to lowest of total gross income from total landings. WDFW must make a firm offer to purchase the license, sent by certified mail with return receipt requested, to licensees ranked one through 31. For licensees ranked 32 through 71, WDFW must send notice requesting a formal letter of interest to sell their license, sent by certified mail with return receipt requested. All licensees must respond within 30 days from the date of receipt of correspondence otherwise WDFW may not make additional efforts to purchase these licenses. The Department is directed to purchase no more than 31 licenses, providing payment to licensees within 45 days of the Office of Financial Management providing them a vendor identification number. This section expires June 30, 2025.

Section 4 directs WDFW to limit future issuance of Puget Sound salmon purse seine commercial licenses to no more than a total of 40 licenses for this fishery, following the completion of the buyback and retirement program in fiscal year 2025.

Section 5 provides an appropriation to the WDFW from the state general fund of \$5,000,000 for fiscal year 2024, for purposes of this act.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Section 4 directs WDFW to limit future issuance of Puget Sound salmon purse seine commercial licenses to no more than a total of 40 licenses for this fishery, following the completion of the buyback and retirement program in fiscal year 2025. This restriction will reduce annual Puget Sound Salmon-Purse Seine license revenue.

WDFW assumes that all the license buybacks will be for Washington residents. All commercial licenses must be renewed by Dec 31 each year, so licensees who are expecting to be included in the buyback are assumed to forego the purchase of their annual license in fiscal year 2025. The Puget Sound Salmon-Purse Seine license resident annual license cost is \$750 (Application \$105 Fee and License Fee \$645).

Beginning in fiscal year 2025 and ongoing, total annual revenue loss is \$23,250 (31 licenses * \$750 annual cost).

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Sections 2 & 3 require the Department to operate a buyback and retirement program and purchase up to 31 purse seine licenses at a cost of \$150,000 per license.

1.0 FTE Management Analyst 3 (MA3) is required to lead this project, to develop and manage licensee correspondence and application materials, coordinate program activities across WDFW and with the Office of Financial Management (OFM), and support selected licensees as they apply for vendor status. Additional outreach may include hosting a virtual information session or an in-person meeting at a WDFW facility to answer licensee questions related to program and OFM guidelines and timelines. The MA3 will communicate with an Assistant Attorney General (AAG) for any necessary legal services,

authorize vendor payments, and will be responsible for standing up the new program and for closing it down and archiving all necessary materials. 0.1 FTE Fish and Wildlife Biologist 2 is required to pull landings data and develop the ranked list of licenses. 0.3 FTE Customer Service Specialist 2 is required to send and receive applications to license holders and provide commercial licensing expertise. 0.1 FTE Fiscal Analyst 3 is required to provide the financial and technical expertise in processing vendor payments, coordination efforts setting up payees with OFM’s statewide vendor system, including close monitoring of vendor identification issuance.

Salaries and benefits total \$148,000 in fiscal year 2025. Goods and services, Object E, includes \$7,000 per FTE, per year, for WDFW standard costs, which cover an average employee’s supplies, communications, training, and subscription costs per year. \$5,200 is required for AAG services to provide legal services related to program purchases of licenses, correspondence and communications with licensees, and compliance with legislative requirements, Object E. \$4,650,000 is required for direct payments to current license holders (31 licenses * \$150,000 per license), Object N. An infrastructure and program support rate of 36.03% is included in object T (not charged to license purchases) and is calculated based on WDFW’s federally approved indirect rate.

Total onetime costs in fiscal year 2025 are \$4,874,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	4,874,000	4,874,000	0	0
Total \$			0	4,874,000	4,874,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.5	0.8		
A-Salaries and Wages		106,000	106,000		
B-Employee Benefits		42,000	42,000		
C-Professional Service Contracts					
E-Goods and Other Services		16,000	16,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		4,650,000	4,650,000		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		60,000	60,000		
9-					
Total \$	0	4,874,000	4,874,000	0	0

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 2024	FY 2025	2023-25	2025-27	2027-29
CUSTOMER SERVICE SPECIALIS	48,864		0.3	0.2		
FISCAL ANALYST 3	67,380		0.1	0.1		
FISH & WILDLIFE BIOLOGIST 2	67,380		0.1	0.1		
MANAGEMENT ANALYST 3	74,376		1.0	0.5		
Total FTEs			1.5	0.8		0.0

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.