STATE OF CALIFORNIA — DEPARTMENT OF FINANCE

ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

Instructions and Code Citations:
SAM Section 6601-6616

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME	CONTACT PERSON	EMAIL ADDRESS	TELEPHONE NUMBER
Fish and Game Commission	Margaret Duncan	margaret.duncan@wildlife.ca.gov	916 653-4674

DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400	NOTICE FILE NUMBER
Add Ch. 5.6, Section 90; and Add Section 704, Title 14, CCR, Re: Experimental Fishing Permit Program (Phase 1)	Z

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- [x] a. Impacts business and/or employees
- [x] b. Impacts small businesses
- [ ] c. Impacts jobs or occupations
- [ ] d. Impacts California competitiveness
- [ ] e. Imposes reporting requirements
- [ ] f. Imposes prescriptive instead of performance
- [ ] g. Impacts individuals
- [ ] h. None of the above (Explain below):

If any box in Items 1 a through g is checked, complete this Economic Impact Statement.
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.

2. The Fish and Game Commission (Agency/Department) estimates that the economic impact of this regulation (which includes the fiscal impact) is:

- [x] Below $10 million
- [ ] Between $10 and $25 million
- [ ] Between $25 and $50 million
- [ ] Over $50 million *[If the economic impact is over $50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: 8

Describe the types of businesses (Include nonprofits): Commercial box crab permit holders

Enter the number or percentage of total businesses impacted that are small businesses: 100%

4. Enter the number of businesses that will be created: 0 eliminated: 0

Explain: 8 permit holders are currently active in this experimental fishery & no more than 8 valid permits will be allowed at any one time

5. Indicate the geographic extent of impacts:

- [ ] Statewide
- [x] Local or regional (List areas): CA marine waters north and south of Point Conception

6. Enter the number of jobs created: 0 and eliminated: 0

Describe the types of jobs or occupations impacted: N/A

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? [ ] YES [x] NO

If YES, explain briefly:

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ECONOMIC IMPACT STATEMENT (CONTINUED)

B. ESTIMATED COSTS *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? $ 35,902

   a. Initial costs for a small business: $ 4,487.75 Annual ongoing costs: $ 4,487.75 Years: 1

   b. Initial costs for a typical business: $ 4,487.75 Annual ongoing costs: $ 4,487.75 Years: 1

   c. Initial costs for an individual: $ N/A Annual ongoing costs: $ N/A Years: 1

   d. Describe other economic costs that may occur: This regulatory action enables the continuation of an existing experimental fishery for eight permit holders.

2. If multiple industries are impacted, enter the share of total costs for each industry: N/A

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* $ N/A

4. Will this regulation directly impact housing costs? ☐ YES ☒ NO

   If YES, enter the annual dollar cost per housing unit: $ _____

   Number of units: _____

5. Are there comparable Federal regulations? ☐ YES ☒ NO

   Explain the need for State regulation given the existence or absence of Federal regulations: Fish and Game Code Section 7090 and Section 1022

   Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: $ N/A

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: The proposed regulations will ensure that existing box crab permit holders can continue to collect data to enable the evaluation of the viability of a box crab fishery that will inform future management strategies for this emerging fishery.

2. Are the benefits the result of: ☒ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?

   Explain: CA Assembly Bill (AB) 1573, California Fisheries Innovation Act of 2018 and Fish and Game Code Section 1022

3. What are the total statewide benefits from this regulation over its lifetime? $ 254,826 / year

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: None anticipated

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: No alternatives were identified by or brought to the attention of the Commission staff that would have the same desired regulatory effect.

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ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation:	Benefit: $ 254,826	Cost: $ 35,902
Alternative 1:	Benefit: $ N/A	Cost: $ N/A
Alternative 2:	Benefit: $ N/A	Cost: $ N/A

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: This regulatory action enables the continuation of an existing experimental fishery.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☐ YES ☒ NO

Explain: No new technologies or equipment are specified with this regulatory action.

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.*

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises **exceed $10 million**? ☐ YES ☐ NO

If YES, complete E2. and E3
If NO, skip to E4

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation:	Total Cost $ _____	Cost-effectiveness ratio: $ _____
Alternative 1:	Total Cost $ _____	Cost-effectiveness ratio: $ _____
Alternative 2:	Total Cost $ _____	Cost-effectiveness ratio: $ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding $50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through12 months after the major regulation is estimated to be fully implemented?

☐ YES ☒ NO

If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

The increase or decrease of investment in the State: _____

The incentive for innovation in products, materials or processes: _____

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

Instructions and Code Citations:
SAM Section 6601-6616

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

☐ 1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

$ _____

☐ a. Funding provided in _____

Budget Act of _____ or Chapter _____ , Statutes of _____

☐ b. Funding will be requested in the Governor's Budget Act of _____

Fiscal Year: _____

☐ 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

$ _____

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

☐ a. Implements the Federal mandate contained in _____

☐ b. Implements the court mandate set forth by the _____ Court.

Case of: _____ vs. _____

☐ c. Implements a mandate of the people of this State expressed in their approval of Proposition No. _____

Date of Election: _____

☐ d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: _____

_____

☐ e. Will be fully financed from the fees, revenue, etc. from: _____

Authorized by Section: _____ of the _____ Code;

☐ f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

☐ g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

☐ 3. Annual Savings. (approximate)

$ _____

☐ 4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

☒ 5. No fiscal impact exists. This regulation does not affect any local entity or program.

☐ 6. Other. Explain _____

_____

Instructions and Code Citations:
SAM Section 6601-6616

FISCAL IMPACT STATEMENT (CONTINUED)

B. FISCAL EFFECT ON STATE GOVERNMENT *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

$ _____

It is anticipated that State agencies will:

☐ a. Absorb these additional costs within their existing budgets and resources.

☐ b. Increase the currently authorized budget level for the _____ Fiscal Year

☐ 2. Savings in the current State Fiscal Year. (Approximate)

$ _____

☐ 3. No fiscal impact exists. This regulation does not affect any State agency or program.

☒ 4. Other. Explain The establishment of a box crab permit fee of $4,487.75 is anticipated to enable the CA Department of Fish and Wildlife to collect revenue for up to eight permits per year over the next three years. Estimate: $4,487.75 x 8 permits = $35,902 per year X 3 years = $107,706

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

$ _____

☐ 2. Savings in the current State Fiscal Year. (Approximate)

$ _____

☒ 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

☐ 4. Other. Explain _____

FISCAL OFFICER SIGNATURE	DATE
Original signature on file 7/16/19	

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY	DATE
Original signature on file 7/23/19	

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER	DATE

STD. 399 Addendum

Add Chapter 5.6, Section 90; and Add Section 704,
Title 14, California Code of Regulations
Re: Experimental Fishing Permit Program (Phase 1)

Economic Impact Statement

C. Estimated Benefits

Answer 3:

The continuation of the experimental box crab fishery is anticipated to provide approximately $254,826 in total economic output throughout the state marine economy. The state marine economy consists of two industry sectors: 1) fishing operations, transport, and support and; 2) seafood sales, and processing. These sectors include several different marine-related industries: commercial harvesters, seafood processors and dealers, seafood wholesalers and distributors, and retail seafood sales.

The total economic output is derived by first determining the ex-vessel value of the box crab fishery by multiplying the harvest quota of 36,000 pounds times the average market price of $3.97 per pound. The additional value generated from the direct ex-vessel value is estimated with output multipliers to derive the indirect and induced impacts that are summed in the total economic output value.

Output multipliers reflect the incremental re-spending of a specific initial direct expenditure. Direct expenditures are received by supporting businesses who then spend all or a portion of that revenue on additional goods or services. The second-tier business spending is characterized as indirect impacts. Business spending on wages that is received by workers who then spend that income is characterized as induced impacts. Commercial harvest value thus multiplies throughout the economy with the indirect and induced impacts of the initial direct expenditure.

Fiscal Impact Statement

A. Fiscal Effect on Local Government

Answer 5. *No fiscal impact exists. This regulation does not affect any local entity or program.*

B. Fiscal Effect on State Government

Answer 4. Other.

The establishment of a box crab experimental fishing permit (EFP) fee of $4,487.75 is anticipated to enable the California Department of Fish and Wildlife (Department) to collect revenue for up to eight permits per year over the next three fiscal years from 2019/20, 2020/21 and 2021/22.

Department Revenue Estimate: $4,487.75 x 8 permits = $35,902 per year x 3 years = $107,706 Total

Determination of Program Fees.
The Department has a duty to recover all reasonable implementation and administrative costs pursuant to Fish and Game Code subdivisions 1022(g) and 1050(e) (see Table 1). Section 704, Title 14, CCR will stipulate the box crab EFP fee pursuant to Fish and Game Code subdivision 1022(g) that authorizes the Commission to charge a fee as necessary to fully recover, but not exceed, all reasonable implementation and administrative costs of the Department and Commission related to the EFP.

The box crab EFP program is a multi-year research collaboration developed and funded by the Department, California Ocean Protection Council, Resources Legacy Fund, and interested commercial trap fishermen for the purpose of collecting biological information and exploring a new directed fishery for box crab. The Department has estimated the annual reasonable Department costs related with administering and implementing this EFP program, including cost-sharing and participant contributions (Table 1). Several parameters were used to calculate the costs to the Department, including staff time, travel and meetings, and enforcement. Because the Department's Marine Region has management interest in investigating the feasibility of a box crab fishery, some of the cost of developing and managing the box crab EFP program would be shared by the Department by means of excluding the Marine Region's permanent staff time from the overall Department costs as shown in Table 1. The remaining annual cost of the EFP program to be shared by program participants (i.e., permit holders) amounts to $35,902 (for eight box crab permits), which yields a final permit fee of $4,487.75. This permit fee is specified in subsection 704(a)(1), Title 14, CCR of the proposed regulations, and is subject to an annual adjustment pursuant to Fish and Game Code Section 699 (stated in subsection 704(b), Title 14, CCR of the proposed regulations). The proposed regulations are necessary to recover all reasonable implementation and administrative costs relating to the box crab EFP, consistent with Fish and Game Code subdivision 1022(g).

Table 1. Box Crab Permit Fee Determination

Annual Department Costs[1] for 8 Box Crab Permits			
ENFORCEMENT	**Hours**	**Rate ($/hr)**	**Subtotal**
Patrol Vessel	91	$196	**$17,836**
Overhead			$4,337.72
Total			$22,173.72
LICENSE & REVENUE BRANCH (LRB)			
Permit Administration	**Hours**	**Rate ($/hr)**	**Subtotal**
Staff service analyst (SSA)	40	$31.45	$1,258
Program technician (PT)	2	$23.15	$46
Staff services manager (SSMI)	8	$44.64	$357
Staff services manager III (SSMIIII)	4	$54.45	$218
Total Salary/Wages			**$1,879**
Staff Benefits			$991
Subtotal Personnel			**$2,870**
Overhead			$698.03
LRB Total			$3,568
REGION 7 - MARINE	**Hours**	**Rate ($/hr)**	**total costs**
Permanent Staff			
Senior Environmental Scientist (salary + benefits)[2]	1,330	$58.69	$ 78,047
Temporary Staff			
Scientific Aid (Santa Barbara)	145	$15.53	$2,252
Scientific Aid (San Diego)	195	$15.53	$3,028
Temporary Staff Benefits			$2,892
Subtotal Temp Help			**$8,172**
Overhead			$1,988
Temp Help Total			**$10,160**
Total Annual Cost for 8 Permits (less Region 7 permanent staff)			$35,901.99
Cost per Permit[3]			$4,487.75

Sources: California Department of Fish and Wildlife (Department) Law Enforcement, License and Revenue Branch, and Marine Region; 2018-19 California Department of Human Resources salary schedule, 2018-19 Department benefit and overhead rates.

Notes:

[1] In addition to Department costs, the box crab EFP program is supported by grants from the California Ocean Protection Council, Resources Legacy Fund, California Sea Grant, and National Oceanic and Atmospheric Administration Saltonstall-Kennedy Grant Program.

[2] As the Department's share of the cost, it will not be reimbursed for the Marine Region's permanent staff time to oversee the EFP program through the receipt of the permit fee.

[3] The permit fee is an annual cost-share amount for each EFP program participant (i.e., permit holder). The box crab permit fee was derived from the Department costs (minus the Marine Region's salary and benefits for permanent staff) divided by the number of permits approved by the Commission and issued by the Department in December 2018 (i.e., eight permits).

C. Fiscal Effect on Federal Funding of State Programs

Answer 3. *No fiscal impact exists. This regulation does not affect any federally funded State agency or program.*