



October 20, 2020

SUBJECT: TRAP LIMIT PROGRAM DEPARTMENT ACCOUNTING THROUGH THE 2018-19 FY

This annual accounting of the Dungeness Crab Trap Limit Program (DCTLTP) is provided pursuant to Section 8276.5(a)(6) of the Fish and Game Code: The department shall annually provide an accounting of all costs associated with the DCTLTP. The department shall use excess funds collected to reduce the cost of the trap limit permit fee or tag fee in subsequent years of the program currently set at \$1,000 and \$5 per trap, respectively.

Following the adoption of the DCTLTP regulations in April 2013, the trap limit permit and buoy tag fees were collected and deposited into the dedicated Dungeness Crab Account of the Fish and Game Preservation Fund that was made available at the start of the 2013-2014 fiscal year (FY). Fiscal years begin July 1 and end June 30 the following year.

Table 1. Summary of permit holders for the 2019-21 biennial period of the DCTLTP as of September 2019.

Tier	Tags/Permit	Number of Permit Holders (Total 552)
1	500	58
2	450	53
3	400	57
4	350	54
5	300	55
6	250	163
7	175	112

Revenue deposited into the dedicated Dungeness Crab Account by fiscal year is summarized in Table 2. This revenue is generated by the number of biennial trap limit permits and Department-issued buoy tags that are purchased, as well as replacement tag and appeal fees.

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Table 2. Revenue deposited in the Dungeness Crab account that is generated by the biennial trap limit fees.

Fiscal Year Period (July 1 – June 30)	Revenue from Fees
2012-13	\$481,183
2013-14	\$1,072,152
2014-15	\$1,385,582
2015-16	\$61,143
2016-17	\$1,401,304
2017-18	\$91,124
2018-19	\$1,438,670

Biennial fees collected during the 2019 permitting year fund Department expenditures for the two following fiscal years of 2019-20 and 2020-21.

The Department's summary of expenditures by Program is shown in Table 3. The following aspects of the program are funded by the Dungeness Crab account: regulation enforcement by the Law Enforcement Division (LED), purchase and mailing of buoy tags by the License and Revenue Branch (LRB), one full time Environmental Scientist position in the Marine Region to support implementation of the trap tag program and related fishery management activities, and overhead and indirect labor costs (Department operating expenditures).

LED enforcement expenditures include approximately 8,000 hours distributed between 87 officers for dockside inspections, at-sea boat patrols utilizing both small and large patrol vessels, aircraft patrols, compliance with trap limit and tagging requirements, and administering waivers to collect other permit holder's traps under warranted conditions of vessel incapacitation. Funds were not used during the reporting period for vessel maintenance, repairs, or fuel. LRB corresponds with permit holders to collect fees and distribute permits, buoy tags and replacement tags. The Marine Region staff position works on all aspects of fishery management including serving on the Dungeness Crab Task Force (DCTF) as an ex-officio member along with a member of LED staff, and provides follow-up support to the industry in respect to actions taken during the meetings. Operating Expenditures are based on the state's overhead rates that are adjusted annually.

The Department executed a contract for \$150,100 to pay the facilitation contract fees of the DCTF from January 2018 through March 2019. Limits on spending authority in 2018-19 FY required the Department to supplement funding of the contract from other fund sources during this FY. Based on new legislation adopted in September 2018, up to \$150,000 of the Dungeness Crab account, if available, can be appropriated each fiscal year through April 1, 2029 to continue to pay for facilitation costs of the DCTF (subsection 8276.5 (e)(2) of the Fish and Game Code). A new contract in the amount of \$149,975 was executed on August 8, 2019 to pay for continued facilitation of the task

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force with an amendment of an additional \$42,945 made available to the 2020-21 FY of the contract. This contract will be effective until June 30, 2021. The Department is working to increase its spending authority to ensure the account can fund the facilitation services in future years.

This marks the sixth summary of DCTLTP accounting costs furnished by the Department since inception of the program. Total state expenditures from the Dungeness Crab Account are summarized below in Table 4 and as of June 30, 2019, the account has a balance of \$2.1 million. This balance is expected to cover the Department's spending authority of \$740k for the 2019-20 FY and maintain a minimum reserve of \$740k for fiscal uncertainties leaving an excess of \$620k. The Department will be working with the DCTF to discuss the status of the excess funds, how the excess fund balance may be impacted by increased spending authority to support facilitation, Department work that is currently subsidized from other fund sources, and if the excess funds can be used to reduce the cost of the biennial trap limit permit fee or buoy tag fee.

Table 3. Summary of Department expenditures for all fiscal years of the Dungeness Crab account.

Fiscal Year (July 1- June 30)	Law Enforcement	License and Revenue	Marine Region	Department Operating Expenditures	Total Department Expenditures
2013-14	\$723	\$207,588	\$15,865	\$40,709	\$264,885
2014-15	\$235,083	\$280,001	\$101,569	\$76,783	\$693,436
2015-16	\$437,266	\$38,670	\$105,958	\$80,872	\$662,766
2016-17	\$268,363	\$198,913	\$116,081	\$89,761	\$673,118
2017-18	\$373,267	\$45,543	\$120,794	\$101,961	\$641,565
2018-19	\$354,104	\$167,549	\$137,699	\$111,601	\$770,953

Table 4. Summary of revenue and ongoing balances since inception of the DCTLTP from April 1, 2013.

Fiscal Year Period (July 1- June 30)	Revenue from Fees	Total State Expenditures	FY End Balance
2012-13	\$481,183	n/a	\$481,183
2013-14	\$1,072,152	\$264,885	\$1,288,450
2014-15	\$1,385,582	\$693,436	\$1,980,596
2015-16	\$61,143	\$662,766	\$1,378,973
2016-17	\$1,401,304	\$673,118	\$2,107,159
2017-18	\$91,124	\$683,007	\$1,518,870
2018-19	\$1,438,670	\$825,219	\$2,137,749