



January 29, 2024

SUBJECT: TRAP LIMIT PROGRAM DEPARTMENT ACCOUNTING THROUGH THE 2019-20 and 2020-21 FYs

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 permitholders as of September 2022.

Tier	Tags/Permit	Number of Permit Holders (Total 544)
1	500	57
2	450	53
3	400	56
4	350	55
5	300	53
6	250	162
7	175	108

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.

Table 2. Revenue deposited in the Dungeness Crab account 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	\$81,936
2018-19	\$1,438,670
2019-20	\$78,435
2020-21	\$1,347,988

The most recent biennial fees were collected during the 2020-21 FY and are effective for the two seasons spanning between November 2021 and July 2023.

The Department's summary of expenditures by Program and FY 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 for the 2019-20 FY include approximately 1,469 hours distributed between 64 officers while for the 2020-21 FY they include 1,710 hours distributed between 51 officers. Officers that utilized the fund were engaged in the following enforcement activities: dockside inspections, at-sea boat patrols utilizing both small and large patrol vessels, inspection of commercial traps and buoy marking requirements, 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

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provides follow-up support to the industry for actions taken during the meetings. Included in expenditures under Marine Region are the contract costs to administer the DCTF during each fiscal time period in the amounts of \$67,149 and \$62,100 for 2019-20 FY and 2020-21 FY, respectively. Operating Expenditures are based on the state's overhead rates that are adjusted annually.

Marine Region staff continue to work on securing contracts to administer the DCTF. A 2-year contract was effective from July 1, 2021 through June 30, 2023, and currently a 3-year contract encumbering up to \$150k each FY is effective from July 1, 2023 until June 30, 2026.

This marks both the seventh and eighth FY summaries of DCTLP 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, 2021, the account has a balance just over \$2.9 million. This balance is expected to cover the Department's spending authority of \$740k for the 2021-22 FY and maintain a minimum reserve of \$740k for fiscal uncertainties leaving an excess of at least \$1.4 million. The Department will work 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
2019-20	\$121,493	\$0	\$209,983	\$45,617	\$377,093
2020-21	\$119,131	\$159,050	\$193,037	\$67,141	\$538,359

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Table 4. Summary of revenue and ongoing balances since inception of the DCTLP 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	\$81,936	\$683,007	\$1,518,870
2018-19	\$1,438,670	\$825,219	\$2,137,749
2019-20	\$78,435	\$377,341	\$1,968,972
2020-21	\$1,347,988	\$562,076	\$2,913,523