



March 13, 2014

SUBJECT: TRAP LIMIT PROGRAM DEPARTMENT ACCOUNTING

As required by Section 8276.5(a)(4) of the Fish and Game Code the Department of Fish and Wildlife (Department) shall annually provide an accounting of all costs associated with the Dungeness crab trap limit program. The following table (Table 1) displays the total number of Dungeness crab permitholders in each tier and the fees that have been collected as of December 31, 2013.

Table1. Summary of Dungeness crab Trap Limit Program Department Fees Collected from Permits and Buoy Tags Sold as of December 31, 2013

Tier	Tags	Number of Permitholders (Total 564)	Biennial Permit (\$1,000/permitholder)	Buoy Tag Fees Collected (\$5/trap)
1	500	58	\$ 58,000	\$ 145,000
2	450	54	\$ 54,000	\$ 121,500
3	400	55	\$ 55,000	\$ 110,000
4	350	55	\$ 55,000	\$ 96,250
5	300	55	\$ 55,000	\$ 82,500
6	250	169	\$ 169,000	\$ 211,250
7	175	118	\$ 118,000	\$ 103,250
		Subtotal	\$ 564,000	\$ 869,750
			Total Fees Collected	\$ 1,433,750

This document summarizes the Department's accounting of costs associated with the trap limit program from its initial adoption, the implementation process and the start of the 2013-14 Dungeness crab season. Costs accrued by the Department between October 2011 and November 2013 are being reported at this time (Table 2). During this time period, a rulemaking package to implement the trap limit program was carried out between the months of October 2011 and March 2013. Following the adoptions of these regulations, permit and buoy tag fees were collected and deposited in to the dedicated Dungeness crab account in the Fish and Game Preservation fund as provided in Fish and Game Code 8276.5(e): "The Dungeness Crab Account is hereby established in the Fish and Game Preservation Fund and the fees collected pursuant to this section shall be deposited in that account. The money in the account shall be used by the department, upon appropriation by the Legislature, for administering and enforcing the program."

The program is currently administered by License and Revenue Branch (LRB) who correspond with permitholders to collect fees and distribute permits and buoy tags. LRB staff also provided support during the implementation process while Marine Region staff were integral in drafting, organizing and filing the

Department of Fish and Wildlife
Dungeness crab Account Status
March 2014
Page 2

rulemaking documents and environmental review documents. Department staff in the office of General Counsel (OGC) provided legal support during this process and assist with carrying out upward appeal requests. Information Technology Branch (ITB) staff compiled the necessary catch data during the five-year window period for each Dungeness crab permitted vessel. At this time, no significant costs have been generated by the Law Enforcement Division (LED) except minor costs during this implementation period.

The Department estimated costs to administer and enforce the program using the Dungeness crab account fund monies and they are summarized in the last two columns of Table 2 for the next two fiscal years for each of the following sections within the Department: LRB, Marine Region and LED.

LRB will continue to work with permit holders in the upcoming year to ensure that replacement tags are procured and distributed to those that request and pay for them. Before the start of the 2015-16 season, permits and buoy tags will again be purchased and distributed. Funds from the first round will be used to procure approximately 175,100 buoy tags at \$0.73/tag from vendor with estimated tax to be in excess of \$10,000 for a total amount of \$137,823. In addition, annual costs to the Department's License and Revenue Branch (LRB) in the form of staff time are estimated to be \$87,220 each year for administration of the program.

In addition, the Department's Marine Region is working on dedicating approximately 25% of a Senior Environmental Scientist staff time, \$25,000 annually including overhead, and one full-time Environmental Scientist (ES) PY, \$100,000 per year for salary including overhead and benefits. These positions are needed to manage the crab fishery for a total cost of \$125,000 for the Marine Region. The full-time ES also participates as an ex-officio member in the Dungeness Crab Task Force, which includes attending and preparing for meetings and providing follow-up support to the industry as a result of actions taken during the meetings.

The Law Enforcement Division (LED) has requested a budget each fiscal year to enforce the program of approximately \$351,000; refer to Table 3 for a summary of what these costs cover, but this has not been approved for utilization at this time. These costs would cover a significant increase in enforcement effort during at sea boat patrols, air services patrols and dockside inspections to ensure compliance of the trap limit and tagging requirements.

At this time halfway in to the 2013-14 fiscal year and several months in to the first Dungeness crab season with the trap limit program in place, only 21% of total funds collected have been utilized. As the program progresses in to the next biennial period, after the completion of the first Dungeness crab season, costs of the program to the Department may be more fully realized and a more thorough evaluation of costs to the Department will be reported.

The purpose of this report is to provide an up-to-date annual accounting to the Dungeness crab industry in an effort to inform them on whether or not excess fees in the Dungeness crab account could potentially be used to lower the permit and/or tag fees, especially to see if these costs are on par with the funds initially requested by the Department. Since funds from this account became available under one year ago in the Dungeness crab account, the Department's Marine region is currently working to have a portion of these funds pay a full time ES position and 25% of a Senior ES position to manage the fishery. LED is also looking to use funds to cover the costs of enforcing the program.

Department of Fish and Wildlife
 Dungeness crab Account Status
 March 2014
 Page 3

Table 2. Department costs for implementation, administration and enforcement of trap limit program. Requested costs were those specified by the Department during the rulemaking process to administer and enforce the program.

Description of Department Costs	Costs to Program: Oct 2011- Nov 2013*	Funds Requested Fiscal Year**: 2013-14	Funds Requested per Fiscal Year**: 2014-15
LRB Staff Pay (Implementation & Administration of Program)	\$ 60,751	\$87,220	\$87,220
LRB Tags and Mailing Costs	\$175,462	\$137,823 (first biennial period)	\$137,823 (second biennial period)
Marine Staff (Implementation and Fishery Management)	\$34,665	\$125,000	\$125,000
OGC Staff (Implementation and Appeals)	\$16,624	n/a	n/a
ITB Staff (Implementation)	\$5,076	n/a	n/a
LED Costs to program (Implementation)	\$3,036		
LED Costs to program (Enforcement)	n/a	\$351,000	\$351,000

Department of Fish and Wildlife
 Dungeness crab Account Status
 March 2014
 Page 4

Total Costs for Period	\$295,613	\$701,043	\$701,043
Total Fees Available (from those collected in 2013)	\$1,433,750	\$1,433,750	\$701,043
Leftover for remainder of 2013-14 and 2014-15 fiscal years	\$1,138,137	\$701,043	\$31,664

*Period encompasses implementation of Trap Limit Program including and first year of collecting trap limit program fees.

**State fiscal year begins July 1 to June 30 of the subsequent year.

Table 3. Law Enforcement Division Requested Costs to enforce program

Item	Cost
Large Boat	\$154,800
Small Boat	\$104,000
Aircraft	\$18,560
Dockside/Shoreside	\$6,000
Admin/Overhead 24%	\$68,006
Total Additional Enforcement Costs	\$351,366