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Technical Area: Socioeconomics
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BACKGROUND

Economic benefits including secondary employment and income estimates in the CPP AFC appear to be based on 30 permanent operating workers and an estimated \$2.5 million operation payroll per year for Fresno County. The applicant's responses to Staff's Data Adequacy requests (11/13/2007) show the estimated annual payroll for permanent operating staff would be \$2.5 million and for short-term (contract) operation workers it would be \$250,000.

DATA REQUEST

48. Please provide the number of annual short-term (contract) operation workers.

Response:

A budget of \$250,000 would equate to approximately one full-time equivalent ("FTE") worker.

Short-term contract workers are anticipated to include several forms of out-sourced workforce including testing, maintenance, capital projects or operations consulting. While any number of individuals may be involved at any given time, these contractors are not generally expected to be engaged in KRCD CPP activities for more than a week or two at a time, making an estimate of the number of individuals involved difficult to estimate and making such an estimate irrelevant to a determination of socioeconomic impact. To place such employment in context, if we assumed an average hourly wage of \$125, a budget of \$250,000 would lead us to determine 2000 hours of work ($\$250,000 / \$125 = 2000$) – this is one FTE. The estimated hourly wage of \$125 is a reasonable estimate of a "fully-loaded" wage (assumed to include taxes and benefits, it could also be expressed as a standard hourly billing rate from an independent contractor or consultant).

49. Please verify whether the estimates of employment and income secondary economic impacts included short-term (contract) operation workers with an annual payroll of \$250,000 or not.

Response:

The estimated \$250,000 expense and one FTE in short-term contract work do not include any secondary income or employment impacts.

The nature of this workforce does not lend itself to such a calculation because of their temporary and transient nature. Short-term contract workers, whether they come from inside or outside the region, are not expected to contribute any additional meaningful economic impact to the region. Short-term contract

workers that reside outside of the region would be expected to be paid by the firm they contract through in their residence. These earnings would be resident and spent outside the region and would not lead to any significant indirect or induced economic impact to the region. Short-term contract workers that reside inside of the region would also be expected to be paid by the firm they contract through in their residence. These earnings, however, are expected to occur through their employer regardless of the contract work with KRCD CPP and would not lead to any significant additional indirect or induced economic impact to the region.

50. If not, please recalculate the secondary employment and income secondary impacts for operations in Fresno County.

Response:

Please see response to Data Request 49.