

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

New chapter NR 85, Walleye Production Grants

3. Subject

Establishment of a competitive grant program for cities, villages, towns, and counties; federally recognized Indian tribes or bands located in this state; and fish farms for increasing capacity to raise walleye for stocking in the waters of the state.

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

The 2013-15 state budget provided \$1 million annually in a new, biennial appropriation (total of \$2 million for the biennium) and directed the department to create by administrative rule a competitive walleye production grant program.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The University of WI-Extension aquaculture staff hosted two "listening sessions" to provide private aquaculture industry with the opportunity to comment or offer suggestions regarding initial grant program plans. The sessions were held in Madison on 8/29/2013 (6-7 people in attendance) and in Wisconsin Rapids on 9/4/2013 (10 people in attendance). The same information was presented to tribal attendees at a Voigt Task Force meeting on 9/5/2013 and at meetings with tribal hatchery staffs in early October 2013.

11. Identify the local governmental units that participated in the development of this EIA.

The fiscal estimate is for an emergency rule that does not require consultation with local governmental units for development of an EIA.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The rule is not expected to have an adverse effect on the economy, a sector of the economy, productivity, jobs, or the overall economic competitiveness of the State. It will have a positive impact by providing \$1 million annually in the 2013-15 biennium to municipal and tribal fish hatcheries and private fish farms through a competitive grant program. Grants will be used for building and improving hatchery buildings, rearing ponds, equipment and other facilities. The rule may also have a positive economic effect on other businesses used by grantees to implement the grant projects, such as construction companies.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

2013 Wisconsin Act 20, the 2013-15 state budget, created s. 29.739, Stats. It included specifications on who is eligible for grants to increase walleye production and for what the grants may be used. Additional elements of this rule and the

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grant program were developed by department grant and propagation specialists, in consultation with University of Wisconsin aquaculture specialists and through listening sessions with fish farm operators and tribal hatchery operators.

State general program revenue funds were made available for the walleye production grant program. It is expected that this rule and program will provide an economic benefit for entities that meet grant criteria and are awarded grant funds, including municipal, tribal, and private fish hatcheries. There are no costs expected for entities that are awarded grants, other than potential costs associated with expanded walleye production that are not eligible for grant reimbursement or costs that applicants decide to pay for themselves. Grantees must pay for the grant project up front and will get reimbursed for eligible costs. Overall, this rule and program is expected to have a positive effect for all anglers in Wisconsin who fish for walleye, as well as small businesses that are supported by fishing.

14. Long Range Implications of Implementing the Rule

The proposals in this rule would support the efforts of the new "Wisconsin Walleye Initiative," which is intended for state, municipal, tribal, and private fish hatchery operations to increase the production of large walleye fingerlings for stocking in Wisconsin waters.

The department is hiring a limited term employee to help manage the walleye grant production program and a future contracting program. Although this increases total cost for the department, costs will be absorbed by the agency's budget because funding to cover this position was provided in the 2013-15 state budget.

15. Compare With Approaches Being Used by Federal Government

There is no existing or proposed federal regulation that would govern the department's ability to create grant contracts with municipal, tribal, or private fish farms, or that would govern fish stocking in Wisconsin waters.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Minnesota and Indiana contract with private fish farms to fulfill some or all stocking within those states. There are no grant programs in other states, that the department is aware of, for capital expenses available to municipalities, Indian tribes, or private fish hatcheries.

<h3>17. Contact Name</h3>	<h3>18. Contact Phone Number</h3>
Mike Staggs, Fisheries Management Bureau Director	608-267-0796

This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

The proposed rule change has the potential to impact municipal, tribal, and private fish hatcheries by providing a new source of grant funding for projects that would increase a fish hatchery's capacity to raise walleye for stocking in waters of the state. Except for rule elements that would require tribal grantees to obtain and pay for fish health certificates for all fish that will be stocked into waters of the state, no additional compliance or reporting requirements will be imposed on small businesses as a result of these rule changes other than those associated with grant reimbursement requirements.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

The University of WI-Extension aquaculture staff hosted two "listening sessions" to provide private aquaculture industry with the opportunity to comment or offer suggestions regarding initial grant program plans. The sessions were held in Madison on 8/29/2013 (6-7 people in attendance) and in Wisconsin Rapids on 9/4/2013 (10 people in attendance). The same information was presented to tribal attendees at a Voigt Task Force meeting on 9/5/2013 and at meetings with tribal hatchery staffs in early October 2013.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

- Quick application and review time to allow grantees to begin project work in a timely manner.
- Enhances opportunities for federally recognized tribes or bands located in the State to work cooperatively to increase walleye populations across Wisconsin for all users.
- Provides the private aquaculture community the opportunity to work closely with the state propagation program to coordinate efforts to rear walleye of the genetic strains and quality needed to maximize the probability of successful walleye fishery development and maintenance.

5. Describe the Rule's Enforcement Provisions

The rule will be enforced by department Conservation Wardens under the authority of chapters 23 and 29, Stats.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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