

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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| 1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected | 2. Date 03-14-2022 - Emergency Rule |
| 3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) DMA Chapter WEM 7 Disaster Fund Rule - Eligibility Criteria 7.03(1)(b) | |
| 4. Subject Eligibility criteria for disaster recovery funds authorized under s. 323.31, Stats. | |
| 5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S | 6. Chapter 20, Stats. Appropriations Affected 20.465(3)(s) |
| 7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget | |
| 8. The Rule Will Impact the Following (Check All That Apply) <input checked="" type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A) | |
| 9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$None. | |
| 10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| 11. Policy Problem Addressed by the Rule "Local unit," as used in this fiscal estimate and economic impact analysis, means retail electric cooperatives, as defined in s. 16.957 (1) (t), to local governmental units, as defined in s. 19.42 (7u), and to federally recognized American Indian tribes and bands in this state. The current rule bases eligibility for disaster funds, in part, on a local unit declaring a disaster or emergency during the disaster itself. Feedback from local units indicates that meeting this requirement is, at a minimum, very difficult to meet and that it is oftentimes impossible to do so given the local unit's critical role in disaster response. Application of the declaration requirement means that the local unit runs the risk of losing out on much-needed disaster recovery funds. Additionally, s. 323.31, which authorizes disaster-recovery fund distribution, does not require that a disaster or emergency be declared at all before a local unit is eligible for funds. The proposed rule change will implement the apparent intent of the statute. | |
| 12. 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. DMA consulted with county and tribal emergency management directors, Wisconsin Emergency Management Association (WEMA), and the Wisconsin Electric Cooperative Association. Comments were provided by nine counties and two towns. Additionally, the rule was posted on the Wisconsin Emergency Management Division's website for 14 days to solicit economic impact comments. Four comments were received. | |
| 13. Identify the Local Governmental Units that Participated in the Development of this EIA. The following local units provided input into the drafting of this EIA: Marathon County, Fond du Lac County, Wisconsin Electric Cooperative Association, Racine County | |
| 14. 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 removal of the emergency or disaster declaration would allow for additional potential applicants to seek limited reimbursement for disaster damages in circumstances that they may not have been able to do so in the past. While there is a cost-sharing requirement, the award of funds still puts the local units in a better financial position than they would have | |

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been if they had been precluded from applying for the funds to begin with due to not being able to meet the current requirement that a disaster be declared during the disaster to be eligible to apply for disaster relief funds. The submittal of an application is voluntary for local units. The proposed rule will have no impact on for-profit businesses.

State Economy: No additional impacts to specific businesses, business sectors, or utility rate payers were identified.

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

Benefits -

Elimination the criterium requiring a declaration of disaster or emergency within the time period of the disaster by eliminating section WEM 7.03(1)(b) is consistent with the governing statute, s. 323.1, and will ensure that local units can focus on responding to a disaster without being precluded from obtaining disaster funds simply because the disaster or emergency declaration is not issued during the midst of the response. It would also bring the rule in conformance with s. 323.31, which provides for disaster relief funds for disasters and does not require that a declaration of a disaster be made at all in order for local governmental units to be eligible for funds.

Alternatives -

There are no alternative that will accomplish the goal of providing disaster-relief funds to local units whose communities suffer a disaster regardless of whether a disaster is ever formally declared.

16. Long Range Implications of Implementing the Rule

Local units would be more readily able to receive disaster recovery funds. This may result in more of the appropriation made for the disaster funds being used, but won't increase the overall commitment of the state in terms of total dollars committed to local governmental unit disaster recovery funds.

17. Compare With Approaches Being Used by Federal Government

To be eligible for federal disaster funds under the federal Stafford Act, 42 U.S.C. ch. 68, the governor must "find" that a disaster has occurred before he/she can ask the president for a disaster declaration that would trigger availability of disaster relief funds. The request to the president must be made within 30 days of the incident.

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

Illinois -

WEM did not find any administrative rules regarding state-funded disaster assistance programs for local units that were tied to a local governmental unit disaster or emergency declaration.

Iowa -

Iowa does have an administrative rule that addresses general "financial assistance for disaster recovery" to local units and others, but the rule addresses assistance tied to the issuance of a presidential disaster declaration. No rule governing state financial assistance to local units upon a state or local disaster declaration was found.

Michigan -

Under Michigan's administrative rules, local units applying for disaster funds have to declare an emergency in a "timely manner." Mich. Admin. Code R 30.53. No definition of "timely manner" and no other provision requiring that a disaster declaration be made during the duration of the disaster were found in the rules.

Minnesota -

WEM did not find any administrative rules regarding state-funded disaster assistance programs for local units that were tied to a local unit disaster or emergency declaration.

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| 19. Contact Name | 20. Contact Phone Number |
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ADMINISTRATIVE RULES
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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)

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

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

5. Describe the Rule's Enforcement Provisions

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

- Yes No
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