

**SMALL BUSINESS IMPACT STATEMENT FOR PROPOSED RULES & REGULATIONS
GOVERNING THE ADMINISTRATION OF THE LOCAL AGRICULTURE AND
SEAFOOD SMALL GRANTS AND TECHNICAL PROGRAM
(AS ADOPTED IN 2012)**

Agency Submitting Regulation:

RI Department of Environmental Management (RIDEM)

Subject Matter of Regulation:

New regulations for the administration of the Local Agriculture and Seafood Act (LASA) grants program (commonly called the LASA grants program). Adopted in 2012, this law allows the Department of Environmental Management to administer a grants program for new farmers and organizations that support the growth, development, and marketing of our agricultural and commercial fishing sectors. It is one of numerous laws adopted by the RI General Assembly in recent years to support the growth of the local food economy.

ERLID No:

N/A (new regulations).

Statutory Authority:

Rhode Island Local Agriculture and Seafood Act, R.I. General Laws sections 2-25-1 et seq., the Department of Environmental Management R.I. General Laws Chapter 42-17.1 and in accordance with R.I. General Laws Chapter 42-35 Administrative Procedures of the R.I. General Laws of 1956, as amended.

Other Agencies Affected:

RI Department of Health (allows RIDEM to work with DOH to further develop and support food safety related programs and standards pertaining to local agriculture and seafood)

Other Regulations That May Duplicate or Conflict with the Regulation:

None

Describe the Scope and Objectives of the Regulation:

The purpose of these regulations is (a) to accomplish the purposes of RIGL 2-25-1 et seq., (b) to establish the operating procedures for the administration of the Local Agriculture and Seafood Act grant program, and (3) to provide for coordinated administration of any funds from philanthropic or other sources which may be made available to accomplish the purposes of RIGL section 2-25-5 (1)-(5) inclusive and subsection 2-25-7 (b).

Business Industry (s) Affected by the Regulation:

Industries that are potentially positively affected by these regulations include food production, food processing, food distribution, food wholesale, and food retail industries involved in the local food sector (RI based food sector).

Types of Businesses Included in the Industry (s):

Local farming and seafood businesses, businesses selling locally made value-added products (jams, jellies, cheese, etc.), businesses engaged in the distribution and sale of locally grown or produced products.

Total Number of Small Businesses Included in the Regulated Industry (s) *Please see the attached guidance documents for assistance determining the total number of small businesses:*

Because this regulation establishes a process for administering a grant program rather than a permitting and/or required regulatory program, no business is further regulated by its establishment. Rather, the regulation establishes a clear, predictable, and reliable process for a grants program for which non-profit entities or small or beginning farmers may apply to the department of environmental management for a grant to be used to fulfill the purposes of the program as stated in RIGL 2-25-5(3) and 2-25-5(4).

The Department has determined that the best way to assess the positive impact this regulation will have on small businesses is to use USDA census data which provides the number of farming businesses in Rhode Island:

Number of Farms: 1,220
USDA, National Agricultural Statistics Service. Data as of 05/14/2012

And to reference the estimate of the number of full and part-time Rhode commercial fishermen as provided by the Cornell University Cooperative Extension Marine Program:

Commercial Fishermen: 2,500
<http://ccesuffolk.org/rhode-island-cfi-profile/>

The Department has no way to assess the number of non-profit entities impacted by this legislation.

Number of Small Businesses Potentially Subject to the Proposed Regulation:

Because this regulation establishes a process for administering a grant program rather than a permitting and/or required regulatory program, no business is technically ‘subject’ to the regulation. Rather, the regulation establishes a clear, predictable, and reliable process for a grants program for which the aforementioned businesses, and non-profits, may take advantage.

What is the cost to your agency of establishing and enforcing this regulation?

This regulation will require a .4 FTE for program administration.

It is unlikely that any enforcement monitoring or actions will be required for this regulation, thus the staff time reflected for program administration represents the full cost to the Department.

What would the consequences be if the regulation did not exist?

The Department would not have a clear, publicly vetted, transparent, and reliable process (1) to accomplish the purposes of RIGL, (2) to establish the operating procedures for the administration of the Local Agriculture and Seafood Act grant program, and (3) to provide for coordinated administration of any funds from philanthropic or other sources which may be made available to accomplish the purposes of RIGL section 2-25-5 (1)-(5) inclusive and subsection 2-25-7 (b).

Effective Date Used In Cost Estimate:

January 2014

For each question below, please answer “yes” or “no” and offer a brief explanation.

Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.

Yes	No	<i>*Note: For each question, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.</i>
Yes <input type="checkbox"/>	No X	Will small businesses have to create, file, or issue additional reports? This regulation will not require businesses to create, file, or issue additional reports. However, if the appropriate entity, as provided in the Local Agriculture and Seafood Act, chooses to participate in the competitive grants program, that entity will need to submit a proposal in the format required by the Local Agriculture and Seafood Act Advisory Committee and DEM Director.
Yes <input type="checkbox"/>	No X	Will small businesses have to implement additional recordkeeping procedures? Businesses will not have to do anything new in order to comply with these regulations. Additional recordkeeping would only will necessary to track the progress and impact of awarded projects in the format required by the Local Agriculture and Seafood Act Advisory Committee and DEM Director. This, however, is voluntary based upon an entity’s decision to participate in the grants program.

Yes <input type="checkbox"/>	No X	Will small businesses have to provide additional administrative oversight? Businesses will not have to do anything new in order to comply with these regulations.
Yes <input type="checkbox"/>	No X	Will small businesses have to hire additional employees in order to comply with the proposed regulation? Businesses will not have to do anything new in order to comply with these regulations.
Yes <input type="checkbox"/>	No X	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)? Businesses will not have to do anything new in order to comply with these regulations.
Yes <input type="checkbox"/>	No X	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation? Businesses will not have to purchase new products in order to comply with these regulations.
Yes <input type="checkbox"/>	No <input type="checkbox"/>	Are performance standards more appropriate than design standards? N/A for this regulation.
Yes <input type="checkbox"/>	No X	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities? Businesses will not have to do anything new in order to comply with these regulations.
Yes <input type="checkbox"/>	No X	Will the regulation have the effect of creating additional taxes and/or fees for small businesses? Businesses will not incur additional taxes and/or fees as a result of these regulations.
Yes <input type="checkbox"/>	No X	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements? No. None that we can determine.
Yes <input type="checkbox"/>	No X	Is the regulation likely to <i>deter</i> the formation of small businesses in Rhode Island? No.
Yes	No	Is the regulation likely to <i>encourage</i> the formation of small businesses in Rhode Island?

X	<input type="checkbox"/>	These regulations are meant to provide a clear process for the Local Agriculture and Seafood Grants and Technical Assistance Program. This Program was created to further develop the local food sector in Rhode Island, thus it is expected that support provided through this program will encourage and enable the growth of existing businesses and create new businesses.
Yes <input type="checkbox"/>	No X	Can the regulation provide for less stringent compliance or reporting requirements for small businesses? No, these regulations cannot because the regulation is not related to a compliance or regulatory program within the Department. These regulations provide structure for a voluntary grants program only.
Yes <input type="checkbox"/>	No X	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? No, these regulations cannot because the regulation is not related to a compliance or regulatory program within the Department. These regulations provide structure for a voluntary grants program only.
Yes <input type="checkbox"/>	No X	Can the compliance or reporting requirements be consolidated or simplified for small businesses? No, these regulations cannot because the regulation is not related to a compliance or regulatory program within the Department. These regulations provide structure for a voluntary grants program only.
Yes <input type="checkbox"/>	No X	Can performance standards for small businesses replace design or operational standards? No, these regulations cannot because the regulation is not related to a compliance or regulatory program within the Department. These regulations provide structure for a voluntary grants program only.
Yes <input type="checkbox"/>	No X	Are there alternative regulatory methods that would minimize the adverse impact on small businesses? No, these regulations cannot because the regulation is not related to a compliance or regulatory program within the Department. These regulations provide structure for a voluntary grants program only.
Yes <input type="checkbox"/>	No X	Were any small businesses or small business organizations contacted during the preparation of this document? If so, please describe. No.