
Governor's Small Business Regulatory Review Board

July 19, 2007

Secretary Roberta Gassman
Department of Workforce Development
201 E. Washington Avenue
P.O. Box 7946
Madison WI 53702

Re: DWD – 56 Child Care Subsidy Rates
CR 07-030 – Wisconsin Administrative Register No. 616

Dear Secretary Gassman:

On behalf of the Small Business Regulatory Review Board I acknowledge receipt of your response to the Board's request for additional analysis of the small business impact of DWD – 56 Child Care Subsidy Rates.

I think you will agree that the analysis performed at the request of the Small Business Regulatory Review Board provides a much clearer picture of the department's reasoning and assumptions regarding the small business economic impact than the analysis that was prepared for the Notice of Hearing. The five page response is a significant improvement in the department's efforts to provide a methodology to support their determination of the economic impact of this rule on small business. The department's response reiterates the position of those persons testifying before the Board that the subsidy rate freeze will indeed have a greater impact on Milwaukee County child care providers. It is this type of small business economic impact analysis that is a keystone in any agency's decision-making process. I believe the Milwaukee County child care providers would have had a better understanding of their projected revenue loss had this form of analysis been provided in the Notice of Hearing. In turn, the department would have received an increased number of comments from these child care providers who represent 43.29% of the statewide total of child care subsidy.

I understand and accept that your agency is unable to provide a regional impact due to the lack of intra-state regional data that is both reliable and translatable by region. In future rulemaking in which the department lacks the necessary data to make an accurate determination regarding economic impact, it is advisable that the department err on the side of caution in assessing the impact of the rule on small business. In addition, the Board encourages the department to make their determinations about economic impacts known at the time of Notice of Hearing. In doing so, the voice of small business can be heard during the public comment period. As the childcare industry ripples through the rest of Wisconsin's economy in creating jobs and boosting the business economies of the retail and service sectors, we need to hear the voice of Wisconsin's child care providers during the public comment period.

The Board looks forward to future review and comment on rules impacting small business. On behalf of the Board, I thank you for response to the Board's comments on DWD 56 – Child Care Subsidy Rates.

Sincerely



Richard E. Petershock, Chairman
Governor's Small Business Regulatory Review Board

Cc: Ron Sklansky, Joint Legislative Council
Ed Rathman, Strategic Analyst, AFSCME
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