

ENVIRONMENTAL IMPROVEMENT PROGRAM

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY07 Adjusted Base	FY08 Recommended	% Change Over FY07	FY09 Recommended	% Change Over FY08
GPR	46,046,200	44,892,800	-2.5	49,690,500	10.7
SEG-O	6,000,000	6,000,000	0.0	6,000,000	0.0
TOTAL	52,046,200	50,892,800	-2.2	55,690,500	9.4

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY07 Adjusted Base	FY08 Recommended	FTE Change From FY07	FY09 Recommended	FTE Change From FY08
TOTAL	0.00	0.00	0.00	0.00	0.00

AGENCY DESCRIPTION

The program was created in 1997 Wisconsin Act 27 to expand lending activities related to the water quality of our state. The program operates three lending programs for the purposes of construction and expansion of wastewater facilities; construction and expansion of public drinking water facilities; and remediation of municipally-owned contaminated lands. The Department of Natural Resources has lead responsibility for the environmental and project management aspects of the program. The Department of Administration is responsible for the financial management of the program.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Clean Water Fund Program Operations

Goal: Protect the water quality of our surface and ground waters by funding the repair, rehabilitation, expansion and construction of municipal wastewater collection and treatment facilities.

Goal: Provide financial resources to promote projects that serve to remediate contaminated lands so that they may be restored for useful purposes and do not contaminate state waters.

Program 2: Safe Drinking Water Loan Program Operations

Goal: Protect public health by providing the financial resources necessary for communities to maintain safe and adequate public drinking water systems.

Goal: Encourage communities to undertake needed drinking water supply construction projects in a time frame that is in the best interests of the community and the environment.

PERFORMANCE MEASURES

2005 AND 2006 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2005	Actual 2005	Goal 2006	Actual 2006
1.	Number of FAAs.	39	41	40	45
1.	Dollar amount of FAAs.	\$191,535,962	\$217,486,759	\$171,661,502	\$246,099,554
1.	Delinquent/defaulted loans.	0	0	0	0

Notes: Based on fiscal year.
FAAs – Financial Assistance Agreements

2007, 2008 AND 2009 GOALS

Prog. No.	Performance Measure	Goal 2007	Goal 2008	Goal 2009
1.	Number of FAAs.	41	41	41
1.	Dollar amount of FAAs.	\$185,187,500	\$185,187,500	\$185,187,500
1.	Delinquent/defaulted loans.	0	0	0

Notes: Based on fiscal year.
FAAs – Financial Assistance Agreements

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RECOMMENDATIONS

1. Program Modifications
2. Milwaukee Metropolitan Sewerage District Design-Build Authorization
3. Debt Service Reestimate

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY06	ADJUSTED BASE FY07	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY08	FY09	FY08	FY09
GENERAL PURPOSE REVENUE	\$38,238.5	\$46,046.2	\$46,046.2	\$46,046.2	\$44,892.8	\$49,690.5
Local Assistance	38,238.5	46,046.2	46,046.2	46,046.2	44,892.8	49,690.5
SEGREGATED REVENUE (3)	6,707.2	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
Local Assistance	6,707.2	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
TOTALS-ANNUAL	44,945.7	52,046.2	52,046.2	52,046.2	50,892.8	55,690.5
Local Assistance	44,945.7	52,046.2	52,046.2	52,046.2	50,892.8	55,690.5

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY06	ADJUSTED BASE FY07	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY08	FY09	FY08	FY09
1. Clean water fund program operations	\$42,956.0	\$49,338.1	\$49,338.1	\$49,338.1	\$48,127.0	\$52,675.5
2. Safe drinking water loan program operations	1,989.7	2,708.1	2,708.1	2,708.1	2,765.8	3,015.0
TOTALS	44,945.7	52,046.2	52,046.2	52,046.2	50,892.8	55,690.5

1. Program Modifications

The Governor recommends changing the subsidized loan rate for the Clean Water Fund Program from 55 percent of the market rate to 70 percent of the market rate to reduce the subsidy and compensate for reduced federal support. The Governor also recommends providing GPR-supported general obligation bonding authority of \$49,500,000 for the Clean Water Fund Program and \$6,090,000 for the Safe Drinking Water Loan Program as well as \$368,145,000 in revenue bonding authority for the Clean Water Fund Program. The Governor further recommends setting the present value subsidy level at \$99,100,000 for the Clean Water Fund Program, \$16,700,000 for the Safe Drinking Water Loan Program and \$3,400,000 for the Land Recycling Loan Program.

2. Milwaukee Metropolitan Sewerage District Design-Build Authorization

The Governor recommends authorizing the Milwaukee Metropolitan Sewerage District to use the design-build construction process for the purpose of constructing a deep tunnel pump station.

3. Debt Service Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY08		FY09		FY08		FY09	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-1,153,400	0.00	3,644,300	0.00
TOTAL	0	0.00	0	0.00	-1,153,400	0.00	3,644,300	0.00

The Governor recommends adjusting the program's base budget to reflect a reestimate of debt service on authorized bonds.