

## ENVIRONMENTAL IMPROVEMENT FUND PROGRAM

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY09 Adjusted Base	FY10 Recommended	% Change Over FY09	FY11 Recommended	% Change Over FY10
GPR	49,400,300	46,544,200	-5.8	54,215,000	16.5
SEG-O	6,000,000	9,000,000	50.0	9,000,000	0.0
<b>TOTAL</b>	<b>55,400,300</b>	<b>55,544,200</b>	<b>0.3</b>	<b>63,215,000</b>	<b>13.8</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY09 Adjusted Base	FY10 Recommended	FTE Change From FY09	FY11 Recommended	FTE Change From FY10
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 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****2007 AND 2008 GOALS AND ACTUALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2007</b>	<b>Actual 2007</b>	<b>Goal 2008</b>	<b>Actual 2008</b>
1.	Number of financial assistance agreements.	41	34	41	49
1.	Dollar amount of financial assistance agreements.	\$185.2 million	\$180.4 million	\$185.2 million	\$326.0 million
1.	Delinquent/defaulted loans.	0	0		0

Notes: Based on fiscal year.

**2009, 2010 AND 2011 GOALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2009</b>	<b>Goal 2010</b>	<b>Goal 2011</b>
1.	Number of financial assistance agreements.	41	41	41
1.	Dollar amount of financial assistance agreements.	\$185.2 million	\$185.2 million	\$185.2 million
1.	Delinquent/defaulted loans.	0	0	0

Notes: Based on fiscal year.

## **ENVIRONMENTAL IMPROVEMENT PROGRAM**

### **GOVERNOR'S BUDGET RECOMMENDATIONS**

#### **RECOMMENDATIONS**

1. Program Modifications
2. Land Recycling Loan Program Change
3. Debt Service Reestimate

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

	ACTUAL FY08	ADJUSTED BASE FY09	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY10	FY11	FY10	FY11
GENERAL PURPOSE REVENUE	\$42,319.6	\$49,400.3	\$49,400.3	\$49,400.3	\$46,544.2	\$54,215.0
Local Assistance	42,319.6	49,400.3	49,400.3	49,400.3	46,544.2	54,215.0
SEGREGATED REVENUE (3)	6,000.0	6,000.0	6,000.0	6,000.0	9,000.0	9,000.0
Local Assistance	6,000.0	6,000.0	6,000.0	6,000.0	9,000.0	9,000.0
TOTALS-ANNUAL	48,319.6	55,400.3	55,400.3	55,400.3	55,544.2	63,215.0
Local Assistance	48,319.6	55,400.3	55,400.3	55,400.3	55,544.2	63,215.0

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

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

	ACTUAL FY08	ADJUSTED BASE FY09	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY10	FY11	FY10	FY11
1. Clean water fund program operations	\$45,780.2	\$52,484.5	\$52,484.5	\$52,484.5	\$52,592.3	\$60,113.8
2. Safe drinking water loan program operations	2,539.4	2,915.8	2,915.8	2,915.8	2,951.9	3,101.2
TOTALS	48,319.6	55,400.3	55,400.3	55,400.3	55,544.2	63,215.0

**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 because the state can no longer afford this level of subsidy. The Governor also recommends providing \$76,500,000 in GPR-supported general obligation bonds for the Clean Water Fund Program and \$9,400,000 for the Safe Drinking Water Loan Program as well as \$418,800,000 in revenue obligation bonds for the Clean Water Fund Program. The Governor further recommends setting the present value subsidy level at \$114,800,000 for the Clean Water Fund Program, \$17,600,000 for the Safe Drinking Water Loan Program and \$2,710,000 for the Land Recycling Loan Program.

**2. Land Recycling Loan Program Change**

The Governor recommends repealing the limit on the maximum loan awarded under the Land Recycling Loan Program in any biennium.

**3. Debt Service Reestimate**

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-2,856,100	0.00	4,814,700	0.00
SEG-O	0	0.00	0	0.00	3,000,000	0.00	3,000,000	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>143,900</b>	<b>0.00</b>	<b>7,814,700</b>	<b>0.00</b>

The Governor recommends adjusting the program's base budget to reflect a reestimate of debt service on authorized bonds. The Governor also recommends converting additional general fund debt service payments for the Clean Water Fund Program to the environmental improvement fund to help balance the budget.

