

ENVIRONMENTAL IMPROVEMENT PROGRAM

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY15 Adjusted Base	FY16 Recommended	% Change Over FY15	FY17 Recommended	% Change Over FY16
GPR	38,824,500	22,941,800	-40.9	18,715,800	-18.4
SEG-O	8,000,000	8,000,000	0.0	8,000,000	0.0
TOTAL	46,824,500	30,941,800	-33.9	26,715,800	-13.7

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY15 Adjusted Base	FY16 Recommended	FTE Change Over FY15	FY17 Recommended	FTE Change Over FY16
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

Note: Goals have been modified.

Program 1: Clean Water Fund Program Operations

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

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

Goal: Provide the most cost-effective means of capital to communities.

Goal: Reduce the amount of GPR support needed.

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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.

Goal: Provide the most cost-effective means of capital to communities.

PERFORMANCE MEASURES

2013 AND 2014 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2013	Actual 2013	Goal 2014	Actual 2014
1.	Number of financial assistance agreements.	45	65	45	49
1.	Dollar amount of financial assistance agreements.	\$200 million	\$210.3 million	\$200 million	\$182.8 million
1.	Delinquent/defaulted loans.	0	0	0	0

Note: Based on fiscal year.

2015, 2016 AND 2017 GOALS

Prog. No.	Performance Measure	Goal 2015	Goal 2016	Goal 2017
1.	Number of financial assistance agreements.	45	45	45
1.	Dollar amount of financial assistance agreements.	\$200 million	\$200 million	\$200 million
1.	Delinquent/defaulted loans.	0	0	0

Note: Based on fiscal year.

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GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Loan Portfolio Restructuring
2. Program Modifications
3. Debt Service Reestimate

Environmental Improvement Program

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

	ACTUAL FY14	ADJUSTED BASE FY15	AGENCY REQUEST FY16	AGENCY REQUEST FY17	GOVERNOR'S RECOMMENDATION FY16	GOVERNOR'S RECOMMENDATION FY17
GENERAL PURPOSE REVENUE	\$37,487.5	\$38,824.5	\$38,824.5	\$38,824.5	\$22,941.8	\$18,715.8
Local Assistance	37,487.5	38,824.5	38,824.5	38,824.5	22,941.8	18,715.8
SEGREGATED REVENUE (3)	\$8,000.0	\$8,000.0	\$8,000.0	\$8,000.0	\$8,000.0	\$8,000.0
Local Assistance	8,000.0	8,000.0	8,000.0	8,000.0	8,000.0	8,000.0
TOTALS - ANNUAL	\$45,487.5	\$46,824.5	\$46,824.5	\$46,824.5	\$30,941.8	\$26,715.8
Local Assistance	45,487.5	46,824.5	46,824.5	46,824.5	30,941.8	26,715.8

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

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

	ACTUAL FY14	ADJUSTED BASE FY15	AGENCY REQUEST FY16	AGENCY REQUEST FY17	GOVERNOR'S RECOMMENDATION FY16	GOVERNOR'S RECOMMENDATION FY17
1. Clean water fund program operations	\$40,347.8	\$41,590.5	\$41,590.5	\$41,590.5	\$25,421.7	\$21,147.6
2. Safe drinking water loan program operations	\$5,139.7	\$5,234.0	\$5,234.0	\$5,234.0	\$5,520.1	\$5,568.2
TOTALS	\$45,487.5	\$46,824.5	\$46,824.5	\$46,824.5	\$30,941.8	\$26,715.8

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1. Loan Portfolio Restructuring

The Governor recommends restructuring existing loan portfolios within the environmental improvement fund to pledge accumulated assets in the direct loans portfolio to pay debt service costs related to the leveraged portfolio general obligation bonds. The Governor also recommends eliminating the present value subsidy limit, as the new structure of the fund will not require a state general obligation bond subsidy. The Governor further recommends modifying statutes to allow the Department of Administration to administratively adjust market interest rates when the market rate cannot be determined from a bond sale.

2. Program Modifications

The Governor recommends allowing safe drinking water loans to be made to privately-owned nonprofit public water systems. The Governor also recommends amending the unsewered municipality eligibility for financial assistance for a new water system to require that at least two-thirds of the residences be at least 20 years old, replacing the requirement that existing residences must have been constructed before 1972.

3. Debt Service Reestimate

Source of Funds	Agency Request				Governor's Recommendations			
	FY16		FY17		FY16		FY17	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-15,882,700	0.00	-20,108,700	0.00
TOTAL	0	0.00	0	0.00	-15,882,700	0.00	-20,108,700	0.00

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

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