

ENVIRONMENTAL IMPROVEMENT PROGRAM

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY17 Adjusted Base	FY18 Recommended	% Change Over FY17	FY19 Recommended	% Change Over FY18
GPR	18,630,900	17,268,100	-7.3	16,607,200	-3.8
SEG-O	8,000,000	8,000,000	0.0	8,000,000	0.0
TOTAL	26,630,900	25,268,100	-5.1	24,607,200	-2.6

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY17 Adjusted Base	FY18 Recommended	FTE Change Over FY17	FY19 Recommended	FTE Change Over FY18
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 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

2015 AND 2016 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2015	Actual 2015	Goal 2016	Actual 2016
1.	Number of financial assistance agreements.	45	65	45	49
1.	Dollar amount of financial assistance agreements.	\$200 million	\$179.7 million	\$200 million	\$240.4 million
1.	Delinquent/defaulted loans.	0	0	0	0

Note: Based on fiscal year.

2017, 2018 AND 2019 GOALS

Prog. No.	Performance Measure	Goal 2017	Goal 2018	Goal 2019
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. Program Modifications
2. Debt Service Reestimate

Environmental Improvement Program

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

	ACTUAL FY16	ADJUSTED BASE FY17	AGENCY REQUEST FY18	AGENCY REQUEST FY19	GOVERNOR'S RECOMMENDATION FY18	GOVERNOR'S RECOMMENDATION FY19
GENERAL PURPOSE REVENUE	\$20,903.2	\$18,630.9	\$18,630.9	\$18,630.9	\$17,268.1	\$16,607.2
Local Assistance	20,903.2	18,630.9	18,630.9	18,630.9	17,268.1	16,607.2
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	\$28,903.2	\$26,630.9	\$26,630.9	\$26,630.9	\$25,268.1	\$24,607.2
Local Assistance	28,903.2	26,630.9	26,630.9	26,630.9	25,268.1	24,607.2

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

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

	ACTUAL FY16	ADJUSTED BASE FY17	AGENCY REQUEST FY18	AGENCY REQUEST FY19	GOVERNOR'S RECOMMENDATION FY18	GOVERNOR'S RECOMMENDATION FY19
1. Clean water fund program operations	\$24,156.8	\$21,257.9	\$21,257.9	\$21,257.9	\$19,699.2	\$19,011.8
2. Safe drinking water loan program operations	\$4,746.4	\$5,373.0	\$5,373.0	\$5,373.0	\$5,568.9	\$5,595.4
TOTALS	\$28,903.2	\$26,630.9	\$26,630.9	\$26,630.9	\$25,268.1	\$24,607.2

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1. Program Modifications

The Governor recommends providing additional general fund supported general obligation bonding authority of \$5,800,000 for the safe drinking water loan program. The Governor also recommends decreasing the authorized general fund supported general obligation bonding authority of the clean water fund program by \$40,460,000, due to consolidation of loan portfolios under the clean water fund and other considerations (see Building Commission, Item #2). The Governor further recommends decreasing the municipal loan interest rate for clean water fund projects from 70 percent to 55 percent of the market interest rate. In addition, the Governor recommends restructuring the loan program for disadvantaged and extremely disadvantaged communities to provide for loans at 33 percent or 0 percent of the market interest rate. Finally, the Governor recommends expanding the eligibility of environmental improvement funds for additional water quality activities.

2. Debt Service Reestimate

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-1,362,800	0.00	-2,023,700	0.00
TOTAL	0	0.00	0	0.00	-1,362,800	0.00	-2,023,700	0.00

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

Environmental Improvement Program