

## ENVIRONMENTAL IMPROVEMENT PROGRAM

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY11 Adjusted Base	FY12 Recommended	% Change Over FY11	FY13 Recommended	% Change Over FY12
GPR	47,374,800	15,874,100	-66.5	39,286,000	147.5
SEG-O	9,000,000	8,000,000	-11.1	8,000,000	0.0
<b>TOTAL</b>	<b>56,374,800</b>	<b>23,874,100</b>	<b>-57.7</b>	<b>47,286,000</b>	<b>98.1</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY11 Adjusted Base	FY12 Recommended	FTE Change From FY11	FY13 Recommended	FTE Change From FY12
<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****2009 AND 2010 GOALS AND ACTUALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2009</b>	<b>Actual 2009</b>	<b>Goal 2010</b>	<b>Actual 2010</b>
1.	Number of financial assistance agreements.	41	45	41	104
1.	Dollar amount of financial assistance agreements.	\$185.2 million	\$251.6 million	\$185.2 million	\$363.5 million
1.	Delinquent/defaulted loans.	0	0	0	1

Note: Based on fiscal year.

**2011, 2012 AND 2013 GOALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2011</b>	<b>Goal 2012</b>	<b>Goal 2013</b>
1.	Number of financial assistance agreements.	41	45	45
1.	Dollar amount of financial assistance agreements.	\$185.2 million	\$200.0 million	\$200.0 million
1.	Delinquent/defaulted loans.	0	0	0

Note: Based on fiscal year.

## **ENVIRONMENTAL IMPROVEMENT PROGRAM**

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

#### **RECOMMENDATIONS**

1. Program Modifications
2. Debt Service Reestimate

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

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	\$16,216.1	\$47,374.8	\$47,374.8	\$47,374.8	\$15,874.1	\$39,286.0
Local Assistance	16,216.1	47,374.8	47,374.8	47,374.8	15,874.1	39,286.0
SEGREGATED REVENUE (3)	\$74,173.8	\$9,000.0	\$9,000.0	\$9,000.0	\$8,000.0	\$8,000.0
Local Assistance	74,173.8	9,000.0	9,000.0	9,000.0	8,000.0	8,000.0
TOTALS - ANNUAL	\$90,389.9	\$56,374.8	\$56,374.8	\$56,374.8	\$23,874.1	\$47,286.0
Local Assistance	90,389.9	56,374.8	56,374.8	56,374.8	23,874.1	47,286.0

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

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

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
1. Clean water fund program operations	\$71,754.7	\$53,062.1	\$53,062.1	\$53,062.1	\$22,068.7	\$42,809.8
2. Safe drinking water loan program operations	\$18,635.2	\$3,312.7	\$3,312.7	\$3,312.7	\$1,805.4	\$4,476.2
TOTALS	\$90,389.9	\$56,374.8	\$56,374.8	\$56,374.8	\$23,874.1	\$47,286.0

**1. Program Modifications**

The Governor recommends changing the subsidized loan rates for the Clean Water Fund Program from 60 percent of the market rate to 80 percent because the state can no longer afford the current subsidy level. The Governor also recommends reducing the amount that may be provided as financial hardship assistance from 15 percent of the total Clean Water Fund Program present value subsidy to 5 percent of the subsidy. The Governor further recommends providing \$9,400,000 for the Safe Drinking Water Loan Program, \$353,000,000 in revenue obligation bonds for the Clean Water Fund Program, and setting the present value subsidy level at \$54,400,000 for the Clean Water Fund Program and \$30,700,000 for the Safe Drinking Water Loan Program.

**2. Debt Service Reestimate**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-31,500,700	0.00	-8,088,800	0.00
SEG-O	0	0.00	0	0.00	-1,000,000	0.00	-1,000,000	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>-32,500,700</b>	<b>0.00</b>	<b>-9,088,800</b>	<b>0.00</b>

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