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Details:

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2009-10**

(session year)

**Assembly**

(Assembly, Senate or Joint)

**Committee on ... Natural Resources  
(AC-NR)**

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Mike Barman (LRB) (Sept/2010)

## Assembly

### Record of Committee Proceedings

#### Committee on Natural Resources

##### Assembly Bill 949

Relating to: financial assistance under the Clean Water Fund Program and the Safe Drinking Water Loan Program.

By Representatives Pocan and Dexter; cosponsored by Senators Miller and Kreitlow.

April 12, 2010          Referred to Committee on Natural Resources.

April 14, 2010          **PUBLIC HEARING HELD**

Present:    (15)    Representatives Black, Danou, Molepske Jr.,  
Steinbrink, Hraychuck, Hebl, Mason, Milroy, Clark, J.  
Ott, Gunderson, Huebsch, LeMahieu, Mursau and  
Nerison.

Absent:    (0)    None.

##### Appearances For

- Jeanne Cargill, Madison — DNR

##### Appearances Against

- None.

##### Appearances for Information Only

- None.

##### Registrations For

- None.

##### Registrations Against

- None.

##### Registrations for Information Only

- None.

April 15, 2010          **EXECUTIVE SESSION HELD**

Present: (15) Representatives Black, Danou, Molepske Jr.,  
Steinbrink, Hraychuck, Hebl, Mason, Milroy, Clark, J.  
Ott, Gunderson, Huebsch, LeMahieu, Mursau and  
Nerison.

Absent: (0) None.

Moved by Representative Molepske Jr., seconded by Representative Black  
that **Assembly Bill 949** be recommended for passage.

Ayes: (15) Representatives Black, Danou, Molepske Jr.,  
Steinbrink, Hraychuck, Hebl, Mason, Milroy, Clark,  
J. Ott, Gunderson, Huebsch, LeMahieu, Mursau and  
Nerison.

Noes: (0) None.

**PASSAGE RECOMMENDED, Ayes 15, Noes 0**

John Maycroft  
Committee Clerk



## Vote Record Committee on Natural Resources

Date: 4/15/10

Moved by: Molepske

Seconded by: Black

AB 949 SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Representative Spencer Black, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Chris Danou</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Louis Molepske</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative John Steinbrink</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Ann Hraychuck</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Gary Hebl</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Cory Mason</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Nick Milroy</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Fred Clark</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Jim Ott</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Scott Gunderson</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Michael Huebsch</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Daniel LeMahieu</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Jeffrey Mursau</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Lee Nerison</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>13</u>	<u>0</u>	_____	_____

Motion Carried                       Motion Failed



# CORRESPONDENCE/MEMORANDUM

State of Wisconsin

DATE: April 13, 2010  
TO: Paul Heinen - AD/8  
FROM: Mary Rose Teves, Acting Director  
Bureau of Community Financial Assistance  
SUBJECT: Bill Analysis of AB 949

1. Description of Legislation: This bill provides authority needed by the Department of Natural Resources (DNR) and the Department of Administration (DOA) to be able to continue administering the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP) as smoothly as possible during State Fiscal Year 2011 while meeting temporary federal requirements that add complexity to both programs. States must follow the temporary requirements for the current federal fiscal year only. These requirements were enacted as part of the federal Appropriations Act that provided funds for the Federal Fiscal Year (FFY) 2010 State Revolving Fund capitalization grants.

AB 949 provides temporary authority to DNR and DOA for offering principal forgiveness to applicants of the CWFP and the SDWLP. It allows DNR to establish a maximum amount of the total available principal forgiveness that any municipality may receive. The bill also allows DNR and DOA to consider median household income, population, and green project components in determining which municipalities may receive State Fiscal Year (SFY) 2011 funding.

Further, AB 949 would allow the DNR to establish a deadline for CWFP financial assistance application submittal (there is none now) and a different SDWLP application deadline in SFY 2011 than the April 30 deadline currently contained in the Wisconsin Statutes.

2. Legislative Action in the Previous Session: None.
3. Policy/Administrative Effect: The Appropriations Act requires each state to use a specific portion of this year's capitalization grants to provide additional subsidy to eligible applicants. AB 949 allows the CWFP and SDWLP to meet this requirement by authorizing the programs to forgive a portion of a loan applicant's principal at the time of loan closing. Current state law is very specific about what types of financial assistance the CWFP and SDWLP can provide to Wisconsin municipalities, and principal

forgiveness is not currently allowed. Without this legislation, the State would likely have to apply for the principal forgiveness portion of the federal capitalization grants separately from the portion to be used for loans, causing the funding processes to become administratively complicated and confusing for Wisconsin's municipalities. In addition, the programs would not be able to deliver the principal forgiveness subsidies that applicants are expecting to be part of this year's loan programs, likely causing some to put off needed infrastructure projects. Delaying construction projects would likely result in municipalities incurring additional costs, thereby making it still more expensive for them to accomplish their construction projects in the future. Some of the potential SFY 2011 applications do need additional subsidies to make their projects affordable.

The Conference Report for the federal Appropriations Act states that "... priority for additional subsidies should be given to projects in communities that could not otherwise afford such projects." AB 949 allows DNR to use the median household income and population of each municipality when making funding decisions. Population and median household income data are commonly used in determining financial need. In addition, AB 949 allows DNR to cap the amount that any one municipality may receive from the total principal forgiveness dollars available. This cap will prevent one or two municipalities with high-cost projects from obtaining the majority of the principal forgiveness funds and allow DNR to spread the principal forgiveness funding to a greater number of burdened, small communities.

The FFY 2010 Appropriations Act requires that 20% of the available capitalization grant funds must be used for projects or portions of projects that qualify as "green" project components. This bill would allow DNR, when making funding decisions, to consider the extent to which a project: promotes water or energy efficiency, is environmentally innovative, or includes green infrastructure. DNR intends to ensure this percentage is met by writing procedures that would allow us to "bypass" the next project in rank order on the SFY 2011 funding list to get to a project with green components so that all available green funds can be committed. Without passage of AB 949, allowing DNR to consider additional factors when determining which municipalities will receive funding, Wisconsin may not meet the 20% "green" requirement, which would mean fewer federal dollars coming to Wisconsin for FFY 2010 infrastructure projects.

AB 949 allows DNR to establish application submittal deadlines for the CWFPP and SDWLP. Control over submittal deadline dates in SFY 2011 will help DNR provide reasonable amounts of time for municipalities to gather the necessary documentation and obtain the necessary approvals for preparing a complete financial assistance application. Deadline dates for submittals are necessary when principal

forgiveness funds are available. DNR currently has no deadline for CFWP applications, and it would be helpful to municipalities and the DNR if the deadline date for SDWLP applications were later in the year than the current statutory deadline of April 30.

Passage of AB 949 would provide the CFWP and SDWLP the authority to temporarily run a little differently, allowing compliance with federal legislation and the ability to meet the water, wastewater and storm water infrastructure financing needs of Wisconsin municipalities in SFY 2011.

The changes proposed in AB 949 are consistent with federal law. As noted in the policy discussion above, Wisconsin cannot accomplish the requirements imposed by the federal Appropriations Act unless passes legislation providing temporary authorities to the DNR and DOA.

4. Fiscal Effect: If passed as written, AB 949 has no fiscal impact. Not passing AB 949 would likely make the administration of the CFWP and SDWLP quite complicated in SFY 2011. The State would only be able to apply for 80% of its capitalization grants during FFY 2010 without passage of AB 949. In the absence of the remaining 20%, several CFWP and SDWLP projects that might otherwise be offered financial assistance in SFY 2011 would not receive funding.
5. Impact on other Bureaus: The suggested changes will likely impact the workloads of the Bureau of Drinking Water and Groundwater and the Bureau of Watershed Management. With passage of AB 949, the department is likely to receive a substantial number of additional loan applications due to municipalities anticipating receipt of principal forgiveness funds. Therefore, Drinking Water and Groundwater staff and Watershed Management staff would likely have an increase in plan reviews and information requests. The two Bureaus understand that the proposed changes are necessary for DNR.
6. Information Impact: Besides a potential increase in the quantity of data that will need to be entered into DNR's information systems during SFY 2011, AB 949 could cause the Bureau of Community Financial Assistance to make some minor changes to the Environmental Loans Oracle System (ELOS) to be able to track additional data elements that the U.S. EPA is requiring the Bureau to report quarterly.
7. Administrative Rules: AB 949 would temporarily override some of the current language in ss. NR 281.58, NR 281.59 and NR 281.61, Wis. Stats., and some sections of ch. NR 162 and ch. NR 166, Wis. Adm. Code. Permanent administrative rule revisions are not necessary to implement the temporary policies.

8. Effective Date: The preferred effective date is the date on which the bill is signed into law. The department would like to have the temporary policies in effect as soon as possible.
  
9. Land Use Impacts: AB 949 has no impact on land use.
  
10. Recommendations: The department is in favor of AB 949. The department already testified in favor of the bill before the Senate Committee on Environment on April 8, 2010. The bill could potentially be up for a full Senate vote in mid-April.
  
11. Analysis Prepared By: Jeanne H. Cargill, Bureau of Community Financial Assistance  
Phone Number: 608-267-7587

Approved by:

\_\_\_\_\_  
Mary Rose Teves, Acting Director  
Bureau of Community Financial Assistance

\_\_\_\_\_  
Date

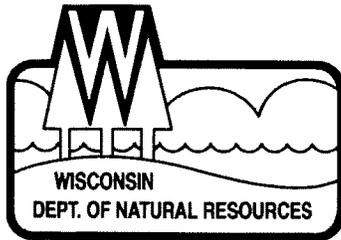
\_\_\_\_\_  
Vance Rayburn, Administrator  
Division of Customer and Employee Services

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joe Polasek, Director  
Bureau of Management and Budget

\_\_\_\_\_  
Date





## State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor  
Matt Frank, Secretary

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STATE OF WISCONSIN LEGISLATURE  
BEFORE THE  
ASSEMBLY COMMITTEE ON NATURAL RESOURCES

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TESTIMONY PRESENTED IN THE MATTER OF  
**ASSEMBLY BILL 949**  
Date: April 14, 2010

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### INTRODUCTION

Good morning, Representative Black and members of the Committee. My name is Jeanne Cargill. I'm the lead worker for DNR's Safe Drinking Water Loan Program, and I've been a Clean Water Fund Program project manager for 17 years. Assembly Bill (AB) 949 directly impacts both of these funding programs. The Department of Natural Resources supports Assembly Bill 949.

This bill provides authority to the loan programs to allow them to continue running as smoothly as possible during State Fiscal Year 2011 while meeting temporary federal requirements that add complexity to both the Safe Drinking Water Loan Program and the Clean Water Fund Program. States must follow the temporary requirements for the current federal fiscal year only. These requirements were enacted as part of the federal Appropriations Act that provided funds for the Federal Fiscal Year 2010 State Revolving Fund capitalization grants.

The Appropriations Act requires each state to use a specific portion of this year's capitalization grants to provide additional subsidy to eligible applicants. AB 949 allows the Clean Water Fund Program and the Safe Drinking Water Loan Program to meet this requirement by authorizing the programs to forgive a portion of a loan applicant's

principal at the time of loan closing. Without this legislation, the State would likely have to apply for the principal forgiveness portions of the federal capitalization grants separately from the portions to be used for loans, causing the funding processes to become administratively complicated and confusing for Wisconsin's municipalities. In addition, the programs would not be able to deliver the principal forgiveness subsidies that applicants are expecting to be part of this year's loan programs, likely causing some to put off needed infrastructure projects.

Twenty percent (20%) of this year's capitalization grants must be used for costs incurred for work related to "green" categories. This bill would allow DNR, when making funding decisions, to consider the extent to which a project: promotes water or energy efficiency, is environmentally innovative, or includes green infrastructure.

The Conference Report for the federal Appropriations Act states that "priority for additional subsidies should be given to projects in communities that could not otherwise afford such projects." AB 949 allows DNR to use the median household income and population of each municipality when making funding decisions. Population and median household income data are commonly used in determining financial need.

By passing AB 949 the Wisconsin legislature would provide the Clean Water Fund Program and the Safe Drinking Water Loan Program the authority to temporarily run a little differently, allowing compliance with federal legislation and the ability to meet the water, wastewater and storm water infrastructure financing needs of Wisconsin municipalities in State Fiscal Year 2011.

Thank you for the opportunity to comment on this bill. I'd be happy to answer any questions you might have.

###



Date  
?

→ AB 949  
+ Jeanne Cargill

AB 950  
O Ann Gryphan  
+ Rep. Seidel  
- Mark Finger

AB 910  
+ Rep. Clark  
+ Rep. Mason  
+ Dan Schoof  
+ Dave Chesky  
+ Matthew Brantner

*phubsch, Hebt, Malepske*