

Fiscal Estimate - 2025 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 25-0670/1	Introduction Number SB-0056	
Description the use of federal capitalization grant funds for lead service line replacement		
Fiscal Effect State: <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By DOA/ Chris Toomey (608) 264-9364	Authorized Signature Colleen Holtan (608) 266-1359	Date 5/14/2025

Fiscal Estimate Narratives

DOA 5/14/2025

LRB Number	25-0670/1	Introduction Number	SB-0056	Estimate Type	Original
Description the use of federal capitalization grant funds for lead service line replacement					

Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 56 (SB-56) proposes to amend s. 281.61 (2r) (e), Wis. Stats., to allow the use of the Safe Drinking Water Loan Program (SDWLP) funds for principal forgiveness of any loan amount to a private owner of a community water system when used for the replacement of lead service lines.

The Department of Administration's (DOA) Capital Finance Office within the Division of Executive Budget and Finance (DEBF) is responsible for providing debt management, such as for general, revenue, and appropriation obligations issued by the state. As such, the Capital Finance Office in conjunction with the Department of Natural Resources (DNR) manages the federal revolving environmental improvement fund (EIF) account, including the SDWLP, and any associated financial assistance to recipients under the program where applicable.

The effect of increasing the scope of recipients eligible for principal loan forgiveness under the SDWLP would not be expected to significantly increase the number of such requests as there appears to be only a single municipality in Wisconsin served by a privately owned community water system.

The EIF would not receive additional funds to accommodate the potential increased levels of principal forgiveness as more entities would become eligible. The net effect would be that as principal loan forgiveness amounts increase, a commensurate reduction in the federal loan revolving fund would occur, as principal loan amounts that would otherwise be paid back into the federal revolving fund would be foregone. As the amount of the reduction in the revolving loan fund that would occur is unknown, the fiscal impact to the program is indeterminate. However, any reduction in available funds would reduce the program's capacity to fund future projects under the program.

The bill as drafted would not impact the Capital Finance Office's current workload, and therefore there is not anticipated to be a direct fiscal impact to the department.

Long-Range Fiscal Implications