

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original   <input type="checkbox"/> Updated   <input type="checkbox"/> Corrected</p>	<p>2. Date July 27, 2022</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Chapter NR 166 - Safe Drinking Water Loan Program</p>	
<p>4. Subject Rules governing the implementation of the Safe Drinking Water Loan program, which provides financial assistance to municipalities for drinking water system construction projects.</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input checked="" type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected n/a</p>
<p>7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect   <input type="checkbox"/> Increase Existing Revenues   <input type="checkbox"/> Increase Costs   <input type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Indeterminate   <input type="checkbox"/> Decrease Existing Revenues   <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy   <input type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units   <input checked="" type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). <b>\$0 - Any increase in application costs would be eligible for coverage by the program loans.</b></p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule Proposed rule changes will streamline processes for awarding financial assistance to municipalities under the Safe Drinking Water Loan Program. These include the rules for municipalities and the department in determining eligibility of an applicant and of a project for Safe Drinking Water Loan Program financial assistance, preparing and submitting a complete financial assistance application, documenting the costs of a project, preparing financial assistance agreements, obtaining applicant documentation required by the Department of Administration, scoring and ranking projects, allocating available funds, developing and publishing project priority and funding lists, determining the amount of subsidy to be provided to a municipality for their project, requesting and processing disbursement of financial assistance, and other changes to provide consistency with federal program requirements and recent statutory changes.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The department shared the draft rule with an external advisory group and met to discuss the proposed changes. Strand Associates, Inc., SEH, Inc., Stoughton Utilities, and Sheboygan Water Utilities were represented in the meeting. The group did not object to any of the proposed rule changes.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. None up until now.</p>	
<p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The rule will have no economic impacts on businesses or municipalities. Participation in the Safe Drinking Water Loan Program is voluntary and general eligibility criteria are already prescribed by the Federal Safe Drinking Water Act. The costs of obtaining funding are prescribed by state statutes. The proposed rule revisions will simplify and clarify protocols and administrative processes, but do not affect the overall ability of municipalities to seek and obtain financing or the rates of that financing. There are no changes to the amount of available principal forgiveness funds. Any added costs to</p>	

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consulting businesses assisting with applications can be passed onto the municipality and in turn can be covered by the program loans.

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### 15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

By clarifying criteria and streamlining processes for the program, there will be fewer applicant questions and process times may be shortened for both applicants (i.e., municipalities and their consultants) and DNR staff. Without the rule revisions, the department will need to interpret clumsy or outdated language to ensure compliance with federal regulations and guidelines and recently amended state statutes.

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### 16. Long Range Implications of Implementing the Rule

The rule revisions will allow the department to remain in compliance with federal program requirements, be consistent with Wisconsin statutes, and more efficiently administer the Safe Drinking Water Loan Program.

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### 17. Compare With Approaches Being Used by Federal Government

All states must comply with the Federal Safe Drinking Water Act (42 U.S. Code, 300f to 300j-26). Wisconsin's implementation approach to the Safe Drinking Water Loan Program has remained relatively basic since its inception.

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### 18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

All states must comply with the Federal Safe Drinking Water Act (42 U.S. Code, 300f to 300j-26). Neighboring states implement the Safe Drinking Water Loan Program with minor differences, adjusted to meet state-specific needs. Each state has a unique priority scoring system based on state priorities but consistent with federal priorities.

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<h3>19. Contact Name</h3>	<h3>20. Contact Phone Number</h3>
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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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