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Joint Committee on Finance

Paper #281

Clean Water Fund Program Loan Interest Rates and Bonding Authority (Environmental Improvement Fund)

[LFB 2017-19 Budget Summary: Page 166, #1 (part) and Page 167, #3]

CURRENT LAW

The clean water fund program within the environmental improvement fund provides financial assistance to municipalities for the planning, design, and construction of wastewater treatment facilities. Financial assistance is generally provided as a loan with an interest rate of 70% of the market interest rate for most project types. This includes the following project types: (a) compliance maintenance projects to prevent a significant violation of an effluent limitation by a municipal sewage treatment facility; (b) projects to achieve compliance with a new or changed effluent limit; (c) projects to prevent or treat nonpoint source pollution or urban storm water runoff; and (d) projects to provide treatment facilities and sewers for unsewered areas.

The Department of Administration (DOA) issues a determination of the market interest rate on a quarterly basis, based on a determination it makes of the effective market interest rate that would have been paid if a fixed-rate revenue obligation had been issued on the date financial assistance is allotted. During the two quarters of January 1, 2017, through June 30, 2017, the effective market interest rate is 3.4%, and the 70% of market rate provides a loan interest rate of 2.38% for the project types listed above. DOA will issue a determination of the market interest rate for the quarter beginning July 1, 2017, close to that date.

The financial hardship assistance program provides additional financial assistance to municipalities that meet the following two criteria: (a) the median household income of the municipality must be 80% or less (\$42,192 in 2016-17) of the median household income of the state; and (b) the estimated total annual wastewater treatment charges per residential user would exceed 2% of the median household income in the municipality without hardship assistance. The program provides financial hardship assistance that reduces residential user charges to an amount

equal to 2% of the median household income in the municipality, or as close to 2% as is possible with the maximum assistance. Financial hardship assistance may include grants or loans at or below the market interest rate. The maximum financial hardship assistance provided to a municipality is a 70% grant with the remaining 30% of costs provided through a 0% interest rate loan. The total amount of financial hardship assistance is limited to 5% of the amount available to provide financial assistance during the biennium.

The clean water fund program has \$686,743,200 in general obligation authority and \$2,526,700,000 in revenue obligation bonding authority. The state issues revenue bonds to provide capital to make loans to municipalities for eligible projects. As municipalities repay the loans, the funds remaining after debt service payments become available for new loans. In October, 2015, the U.S. Environmental Protection Agency (EPA) and the Wisconsin Building Commission approved a new funding structure for the primary direct loan subprogram of the clean water fund. Under the new funding structure, the state uses capitalization grants from EPA, state matching funds, and proceeds from Environmental Improvement Fund Revenue Bonds to make below-market interest rate loans under the clean water fund program. The state matching funds originate from a portion of the Environmental Improvement Fund Revenue Bonds issued by the state. Prior to the restructuring, the program used proceeds of Clean Water Revenue Bonds to make below-market interest rate loans to municipalities, and used the proceeds of general obligation bonds to provide for the costs of state subsidy of the below-market interest rate loans and the 20% state match to the federal grant. Funding available in a fiscal year for new loans is generally equal to the amount received from new federal grants plus 20% required state match plus loan repayments from previous loans to municipalities.

EPA authorizes the state to use up to 30% of the federal capitalization grant for principal forgiveness (grant) if the nationwide appropriation exceeds \$1 billion. The Department of Natural Resources (DNR) and DOA established criteria, approved by EPA, to target principal forgiveness to municipalities with lower population, lower median household income, and an unemployment rate higher than the state's rate. The maximum amount of principal forgiveness is \$750,000 per municipality.

GOVERNOR

Lower the interest rate for loans provided under the clean water fund program for the 2017-19 biennium or later, from 70% of the market interest rate to 55% of the market interest rate, for the project types described under (a) through (d) under the "Current Law" section.

Provide a loan interest rate of 33% of the market interest rate for the project types described under "Current Law" if the municipality has a: (a) population of less than 10,000; and (b) median household income of 80% or less of the median household income of the state. Provide a loan interest rate of 0% for the project types described under "Current Law" if the municipality has a: (a) population of less than 1,000; and (b) median household income of 65% or less of the median household income of the state.

Eliminate the clean water fund financial hardship assistance program.

These three provisions would first apply to financial assistance agreements provided in the 2017-19 biennium.

Decrease general obligation bonding authority by \$40,460,000 for the clean water fund program.

DISCUSSION POINTS

A. Loan Interest Rate for Most Municipalities

1. The environmental improvement fund biennial finance plan submitted by the DNR and DOA to the Building Commission and Legislature in September, 2016, identified wastewater project needs for below-market interest rate financial assistance of \$617.9 million for the 2017-19 biennium, including: (a) \$568.1 million in estimated need for new clean water fund program applications for loans at the current 70% of market interest rate; (b) \$20.0 million for loans for pilot projects with 0% interest rate loans; and (c) \$29.8 million for market-rate financing for portions of projects that do not meet eligibility requirements for below-market rate loans. DNR and DOA estimated projected funding needed in 2017-18 by using the average of the last four years of submittals of a notice of intent to apply, then estimated that 35% of the submittals would result in actual applications for funding. DNR and DOA further estimated that the projected need in 2018-19 would increase 10% from 2017-18, based on an increase in funding applications of approximately 10% in each of the last four years.

2. The second version of the environmental improvement fund biennial finance plan was submitted by DNR and DOA on March 9, 2017, to meet the statutory requirement that they submit a revised plan within 30 days after the Governor's budget has been introduced, and that the plan reflect items included in the budget bill. In the March, 2017, plan, DNR and DOA revised their estimates to project a 4% increase in wastewater project needs in 2018-19, based on an increase in funding applications of approximately 4% in each of the last four years, rather than the 10% included in the September, 2016, biennial finance plan. DNR indicates it changed the assumptions after the Department completed an analysis of past trends and historical records using data updated from the initial September estimates. The March, 2017, biennial finance plan estimated wastewater project needs of \$600.6 million during the 2017-19 biennium, rather than the \$617.9 million estimated in September, 2016, including estimated needs of: (a) \$443.7 million for loans with an interest rate of 55% of market rate under the bill; (b) \$95.9 million for loans with an interest rate of 33% of market rate; (c) \$12.0 million for loans with a 0% interest rate; (d) \$20.0 million for loans for pilot projects with a 0% interest rate; and (e) \$29.0 million for market-rate financing for portions of projects that do not meet eligibility requirements for below-market interest rate loans.

3. The biennial budget acts in several recent biennia have changed the statutory clean water fund loan interest rate paid by municipalities as a percent of the market interest rate. This is shown in Table 1. Prior to the 2009-11 biennium, the interest rate paid by municipalities for loans for most clean water fund projects was 55% of the market interest rate. In 2009-11 and 2011-13, the state subsidy for these projects was decreased by increasing the interest rate paid by municipalities as a percent of the market interest rate. In 2015-17, the state subsidy was increased by decreasing

TABLE 1

Clean Water Fund Program Loan Interest Rates by Project Type

A. Percent of Market Rate

<u>Project Category</u>	<u>Prior to 2009-11</u>	<u>2009-11</u>	<u>2011-13 and 2013-15</u>	<u>2015-17</u>	<u>2017-19 Bill</u>
Compliance maintenance/ New and changed limits	55%	60%	75%	70%	55%
Storm water/nonpoint Unsewered	65 70	65 70	75 75	70 70	55 55
Violator, reserve capacity, industrial flow or unsewered not meeting two-thirds rule	100	100	100	100	100
Hardship	Variable	Variable	Variable	Variable	NA
Hardship grants and principal forgiveness	Grant	Grant	Grant	Grant	Grant
Pilot project	NA	NA	0	0	0
Municipalities with <10,000 population and 80% or less of statewide median household income	NA	NA	NA	NA	33
Municipalities with <1,000 population and 65% or less of statewide median household income	NA	NA	NA	NA	0

B. Interest Rate

<u>Project Category</u>	<u>2007-09</u>	<u>2009-11</u>	<u>2011-13 and 2013-15</u>	<u>2015-17*</u>	<u>2017-19 Bill Estimated**</u>
Compliance maintenance/ New and changed limits	2.365%	2.4%	2.625%	2.38%	1.87%
Storm water/nonpoint Unsewered	2.795 3.010	2.6 2.8	2.625 2.625	2.38 2.38	1.87 1.87
Violator, reserve capacity, industrial flow or unsewered not meeting two-thirds rule	4.3	4.0	3.5	3.4	3.4
Hardship	0.0 to 4.3	0.0 to 4.0	0.0 to 3.5	0.0 to 3.4	NA
Hardship grants and principal forgiveness	Grant	Grant	Grant	Grant	Grant
Pilot project	NA	NA	0.0	0.0	0.0
Municipalities with <10,000 population and 80% or less of statewide median household income	NA	NA	NA	NA	1.122
Municipalities with <1,000 population and 65% or less of statewide median household income	NA	NA	NA	NA	0.0

NA = Not Applicable

*Shows the 3.4% market interest rate for January 1, 2017, through June 30, 2017. DOA reviews the interest rate quarterly. The rate was 3.25% from July 1, 2015, through March 31, 2016; 3.0% from April 1, 2016, through September 30, 2016; and 2.8% from October 1, 2016, through December 31, 2016.

** Based on current 3.4% market interest rate.

the interest rate paid by municipalities on most program loans to 70% of the market interest rate. The bill would return the interest rate paid by municipalities for most loans to the 55% of the market interest rate that was in place prior to 2009-11.

4. The reductions made in 2009-11 and 2011-13 to state subsidy levels were done to reduce long-term state costs of the program, particularly for GPR debt service on general obligation bonds, in recognition that the state faced difficult budgetary times. When the 2015-17 biennial budget increased state subsidy levels for municipalities by decreasing the loan interest rate from 75% to 70% of the market interest rate, it was anticipated that the pending program restructuring would increase the amount of funds available for future loans and the increased subsidy by increasing the reliance on repayments of previously made loans and relying less on general obligation bonds. It is anticipated the state's restructuring of the program's loan portfolios in October, 2015, will be able to accomplish this.

5. Approval of decreasing the interest rate to 55% of the market interest rate would provide an opportunity for the state to provide additional assistance to municipalities for financing of wastewater treatment projects and would lower municipal borrowing costs for eligible projects [Alternative A1]. An increase in state subsidy levels could also provide some municipalities an incentive to borrow through the state program instead of borrowing on their own at a higher interest rate or incurring local bond issuance costs.

6. Provision of an interest rate of 55% of the market interest rate for most clean water fund loans would be consistent with the interest rate provided for most safe drinking water loans.

7. Table 2 shows DOA estimates of the amounts of funding that will be available for clean water fund projects under the bill at the current interest rate of 70% of the market interest rate, at 65%, 60%, and at the 55% of market interest rate provided under the bill. The DOA estimates incorporate the changes made under the bill for certain municipalities to receive an interest rate of 33% of the market interest rate or a 0% interest rate loan (discussed in the following section). Under the DOA estimates, it is anticipated the program will have sufficient funding for all of the estimated wastewater project need during the 2017-19 biennium. The \$648 million estimated to be available to fund projects during the biennium under the interest rates provided under the bill exceeds the \$600.6 million in need estimated in the March, 2017, biennial finance plan. It also exceeds the actual amounts of financial assistance provided in recent biennia, including \$461.4 million in 2009-11, \$393.0 million in 2011-13, and \$266.1 million in 2013-15. In addition, the actual amount of financial assistance provided in 2015-17 as of April 2, 2017, is \$277.3 million, and is anticipated to reach \$387.6 million when pending projects close on their financial assistance agreements by June 30, 2017.

8. DOA indicates that reasons for not proposing an interest rate lower than 55% of the market rate for most loans include: (a) the proposed 55% of market interest rate would return the subsidized interest rate to the original program rate between 1990 and 2009; (b) the proposed 33% of market interest rate and 0% rate for certain lower-income and smaller population municipalities would provide a lower interest rate for a sizable portion of potential eligible municipalities; and (c) the further the interest rate is lowered for most loans, the smaller the pool of interest payments received from municipal loan repayments would be for use as state repayment of the revenue

obligations issued under the restructured clean water fund program to pay the state match (instead of using GO bonds and GPR under the prior program).

TABLE 2

**DOA Estimated Amount Available for Clean Water Fund
Financial Assistance in 2017-19, at Various Loan Interest Rates**

<u>Interest Rate as Percent of Market Rate</u>	<u>Amount Available (\$ Millions)</u>
70% (current law)	\$670
65%	662
60%	656
55% (bill)	648

9. Consideration could be given to providing a smaller decrease in the loan interest rate as a percent of the market interest rate. This would provide an increase in the amount of state subsidy for municipal clean water fund projects from the current law amounts, but at a more modest level than the amount provided under the bill. Provision of an interest rate of 60% of the market rate [Alternative A2] or 65% of the market rate [Alternative A3] would provide more state subsidy than under current law, but would allow financing of a larger amount of projects.

10. Some may argue that the current subsidy level is sufficient to make the program attractive to municipal borrowers, especially when the state has the flexibility to adjust the market interest rate to reflect current market conditions. In addition, maintaining the current subsidy levels could preserve a larger amount of assets of the clean water fund program for a greater number of years [Alternative A4].

B. Loan Interest Rate for Municipalities with Lower Income and Smaller Population

11. The restructuring of financial hardship assistance under the bill for lower-income and smaller population municipalities is intended to provide more opportunity for lower interest rate loans to a greater number of municipalities than the current financial hardship assistance program. The proposed interest rate of 33% of the market interest rate for municipalities with a population of less than 10,000 and a median household income of 80% or less of the statewide median would be the same interest rate currently available under the safe drinking water loan program to municipalities meeting the same population and income criteria. The 0% interest rate would be available for municipalities with a population of less than 1,000 and a median household income of 65% or less of the statewide median. The availability of these two lower interest rates would replace the current financial hardship assistance program, and that program's provision of up to a 70% grant and 0% interest rate loan for the remaining project costs for eligible municipalities.

12. DOA estimates that if the restructured loan interest rates had been in effect during the 10 years between 2006-07 and 2015-16, 56 municipalities with project financial assistance totaling

\$114.4 million, and a population served of 112,000, would have qualified for the loans at an interest rate of 33% of the market interest rate or a 0% interest rate. DOA further estimates that the interest cost savings to municipalities for these projects would have been approximately \$13.7 million if all of the projects would have been eligible for an interest rate of 33% of the market rate, but would likely have been higher because approximately six of the 56 municipalities, with project costs of \$13.9 million, would have qualified for a 0% interest rate.

13. The current financial hardship assistance program has the potential of a state-funded grant component of up to 70% of project costs, depending on the DNR calculation of the amount of grant or loan needed to reduce residential user charges to 2% of median household income. The remaining project costs can be financed by a loan with an interest rate as low as 0%. DNR and DOA do not award principal forgiveness (federal grants) to state-funded financial hardship assistance recipients under current law. The bill's provisions for the interest rate of 33% of the market interest rate or a 0% interest rate would replace the current law potential for a state-funded grant under the financial hardship assistance program. Under the bill, DNR and DOA would continue to award principal forgiveness of between 15% and 70% of project costs to loan recipients under the federal program, with a maximum of \$750,000 per municipality.

14. The current financial hardship assistance program uses general obligation bond proceeds, with GPR payments of debt service costs, to provide funding for the grant component of the financial assistance. The loan component of the current financial hardship assistance program and the lower interest rates provided under the bill to lower-income, smaller population municipalities is funded with loan repayments from previously made loans. Elimination of the current financial hardship program would further reduce the use of general obligation bonds, and associated GPR debt service payments for the program [Alternative B1]. In addition, elimination of the current program, in association with creation of the lower interest rates under the bill, would provide lower interest rate funding for a greater number of municipalities than under the current hardship program, and would allow municipalities to obtain principal forgiveness under the federal portion of the program.

15. The program did not enter into any financial hardship assistance agreements for three years between July 1, 2013, and June 30, 2016. DOA and DNR officials indicate this was due to a lack of applications being submitted for hardship projects, and to municipalities not qualifying for hardship assistance.

16. The program is entering into four financial hardship agreements in 2016-17, with anticipated total hardship grant funding of up to \$14,233,700. The total grant funding amount will not be finalized until the financial assistance agreements for two of the projects are closed in June, 2017. The four projects include Cassville in Grant County, Kendall in Monroe County, Rib Lake in Taylor County, and Country Estates Sanitary District in Walworth County. All four of the municipalities have a population of less than 1,000. If the timing of the four projects would have been such that they were submitting applications by June 30, 2017, for financial assistance in 2017-18, rather than in the prior year for financing in 2016-17, they would have received financial assistance under the bill's eligibility criteria instead of the current law financial hardship criteria. Under the bill's loan interest rate changes, instead of receiving any of the potential \$14.2 million in

grant funds under current law, the first two municipalities would have been eligible for a loan with an interest rate of 33% of the market rate (because of a median household income between 65% and 80% of the statewide median), and the second two would have been eligible for a loan with an interest rate of 0% (because of a median household income less than 65% of the statewide median). It is possible the four municipalities would have also received principal forgiveness awards under the federal portion of the clean water fund program.

17. The current financial hardship program could be retained to provide a potentially greater opportunity for a grant component from the state-funded program than is available from the principal forgiveness provided under the federal portion of the program. It also may be that some municipalities have low enough income and high enough residential user chargers to need a significant grant component to construct the wastewater treatment project. The current program could be retained in addition to creating the 33% of market and 0% interest rates under the bill, as a further option for targeting financial assistance [Alternative B3]. Alternatively, the current financial hardship assistance program could be retained instead of creating the 33% of market and 0% interest rates, as a way of continuing to narrowly target the availability of lower interest rate or grant assistance [Alternative B4]. Under this alternative, municipalities eligible for the 33% of market rate or 0% interest rate loan under the bill might be eligible for financial hardship assistance under current law provisions. If such municipalities are not eligible for financial hardship under current law provisions, they could obtain a regular loan under the program with an interest rate of 55% of market rate under the bill (70% of market rate currently), and might be eligible for principal forgiveness for a portion of project costs.

18. It is possible that municipalities are considering applying for financial hardship assistance by June 30, 2017. DNR and DOA are aware of one municipality, the Bluffview Sanitary District in Sauk County, which intended to apply for \$2,500,000 in clean water fund financial hardship assistance by June 30, 2017, for 2017-18 under current law provisions. The agencies are not aware of other municipalities in this situation. Under the bill, any municipalities in this situation would not be eligible for hardship assistance but would be eligible for a low-interest loan. It is too early in the application process for DNR and DOA to determine the amount of hardship grant and loan, and loan interest rate, that the municipality would be eligible for to reduce the residential user costs to as close as possible to 2% of the municipality's median household income. However, some preliminary comparison can be made of the eligibility of Bluffview under current law and the bill. The median household income of the Bluffview Sanitary District is \$19,792, which is the lowest of all municipalities that submitted a notice of intent to apply for clean water fund assistance for 2017-18. Under current law, the maximum amount of financial hardship assistance potentially available for Bluffview would be a grant for 70% of project costs (\$1,750,000) and a 0% interest rate loan for 30% of project costs (\$750,000), with estimated loan repayments of \$37,500 annually for 20 years. Under the bill, the same project would be eligible for a 0% interest rate loan, on as little as \$1,750,000 if current allocations of principal forgiveness under the federal program continue, with potential principal forgiveness of up to 30% (\$750,000) of project costs. (Under current law, recipients of hardship grants do not also receive principal forgiveness.) Under this preliminary scenario, Bluffview would have estimated loan repayments of up to \$87,500 annually for 20 years with a 0% loan under the bill, which is \$50,000 more annually than under current law.

19. Under the bill, municipalities that apply for financial assistance by June 30, 2017, would enter into a financial assistance agreement under the revised requirements in 2017-19. It could be argued that the eligibility for current law financial hardship assistance should not be eliminated for any municipality that has been planning to apply for financial hardship assistance by the required current deadline of June 30, 2017, for assistance in 2017-18, but could be eliminated for municipalities that submit applications for clean water fund financial assistance after June 30, 2017. If the Committee chooses to approve the Governor's proposed elimination of the financial hardship program, it could choose to retain eligibility for a municipality applying for financial hardship assistance under the current law application deadline of June 30, 2017, for financial assistance in 2017-18 [Alternative B2].

20. The availability of a 0% interest rate loan (and potential availability of principal forgiveness for a portion of project costs) might be a sufficient level of funding for a municipality, instead of a grant of up to 70% of project costs [Alternative B1 or B3]. In addition, it could also be argued that the provision should go into effect in the year the funding is provided (2017-18), as proposed under the bill, even though the applicant was required to submit a funding application in 2016-17, before the budget bill is enacted, for funding to be provided after the budget bill goes into effect.

C. General Obligation Bonding Authority

21. As described earlier, the October, 2015, restructuring of the clean water fund program allows the program to depend less on use of general obligation bond proceeds, and more on loan repayments, to make future loans, and to provide the 20% state match for the federal capitalization grant. As a result of the restructuring, DOA and DNR anticipate that the program would only need to use the proceeds of GO bonds, with GPR debt service payments, to fund the grant component of the current law financial hardship assistance program.

22. Under the bill, the decrease of \$40.46 million in general obligation bonding authority would reflect that the amount is not needed due to the restructured program and to the proposed elimination of the financial hardship assistance program [Alternative C1]. DOA anticipates that approximately \$6 million in GO bonding authority would remain, which could be used for additional costs related to financial hardship assistance grants allocated before enactment of the bill, or for other unanticipated subsidy needs under the program. The need for remaining GO bonding authority could be reviewed in 2019-21 budget deliberations.

23. If the current financial hardship assistance program is retained, the remaining \$6 million in GO bonding authority could potentially fund the grant component of a small portion of financial hardship assistance projects for which financial assistance is allocated in 2017-18. For example, if financial hardship assistance is retained only for municipalities applying by June 30, 2017 (as described above related to the one municipality, Bluffview Sanitary District, which DNR and DOA are aware of being in this situation), the remaining \$6 million in GO bonding authority could be expected to be sufficient for that project.

24. If the Committee chooses to maintain the current financial hardship assistance program, and if the program receives applications for projects eligible to receive a grant component,

it is possible that there may not be sufficient remaining GO bonding authority to fund future hardship assistance grant applications. The Committee could choose to restore some of the general obligation bonding authority eliminated under the bill. DNR and DOA are aware of only one municipality (Bluffview) intending to apply for financial hardship assistance for 2017-18 under current law. If GO bonding authority of \$14.3 million were restored from the amounts deleted under the bill, this would equal the anticipated maximum amount of hardship grant funding to be provided for the four hardship projects being funded in 2016-17. This could likely fund potential eligible projects that might apply for hardship assistance in 2018-19 [Alternative C2]. Future need for general obligation bonding authority for financial hardship assistance could be evaluated during 2019-21 biennial budget considerations.

25. Approval of a decrease in general obligation bond authority under the bill would not be expected to result in GPR savings in debt service costs during the 2017-19 biennium because the bonds are issued only as financial assistance is disbursed to municipal borrowers over the typical four to five years of construction of a project. Thus, if the current level of general obligation bonding authority is retained, bonds will only be issued if needed if the current financial hardship program is retained, and if financial hardship grants are included in a future financial hardship assistance agreement [Alternative C3].

ALTERNATIVES

A. Loan Interest Rate for Most Municipalities

1. Approve the Governor's recommendation to decrease the clean water fund loan interest rate for most projects from 70% to 55% of the market interest rate.
2. Decrease the clean water fund loan interest rate for most projects from 70% to 60% of the market interest rate.
3. Decrease the clean water fund loan interest rate for most projects from 70% to 65% of the market interest rate.
4. Maintain the current clean water fund loan interest rate of 70% of the market interest rate for most projects.

B. Loan Interest Rate for Municipalities with Lower Income and Smaller Population

1. Approve the Governor's recommendations to: (a) provide a clean water fund loan interest rate of 33% of the market interest rate for municipalities with a population of less than 10,000 and median household income of 80% or less of the median household income of the state; (b) provide a clean water fund loan interest rate for municipalities with a population of less than 1,000 and median household income of 65% or less of the median household income of the state; and (c) eliminate the clean water fund financial hardship assistance program.
2. In addition to Alternative B1, authorize a municipality that submits an application for

clean water financing by the current law deadline of June 30, 2017, for 2017-18 financial assistance, to be eligible for assistance under the current law financial hardship assistance program.

3. Approve the Governor’s recommendation to provide a 33% of the market interest rate or 0% interest rate for lower-income and smaller population municipalities. Maintain the current law financial hardship assistance program.

4. Delete the Governor's recommendation to create the 33% of market interest rate and 0% interest rate loans for lower-income municipalities. Maintain the current law financial hardship assistance program.

C. General Obligation Bonding

1. Approve the Governor’s recommendation to decrease clean water fund program general obligation bonding authority by \$40,460,000.

ALT C1	Change to	
	Base	Bill
BR	- \$40,460,000	\$0

2. Decrease clean water fund program general obligation bonding authority by \$26,160,000.

ALT C2	Change to	
	Base	Bill
BR	- \$26,160,000	\$14,300,000

3. Maintain current clean water fund program general obligation bonding authority.

ALT C3	Change to	
	Base	Bill
BR	\$0	\$40,460,000

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