

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary				FTE Position Summary	
	2022-23	Act 19		2023-25 Change Over	
Fund	Adjusted Base	2023-24	2024-25	Base Year Doubled	Amount %
GPR	\$6,487,000	\$5,479,700	\$6,824,900	- \$669,400	- 5.2%
SEG	<u>7,000,000</u>	<u>6,000,000</u>	<u>4,500,000</u>	<u>- 3,500,000</u>	- 25.0
TOTAL	\$13,487,000	\$11,479,700	\$11,324,900	- \$4,169,400	- 15.5%
BR		\$46,000,000			

Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.

Budget Change Items

1. REVENUE OBLIGATION BONDING AUTHORITY [LFB Paper 345] BR \$46,000,000

Increase revenue obligation bonding authority by \$46,000,000 from \$2,551,400,000 to \$2,597,400,000 for the clean water fund and safe drinking water loan program within the environmental improvement fund (EIF). The clean water fund program provides low-interest loans to municipalities for planning, designing, constructing or replacing a wastewater treatment facility, or for nonpoint source pollution abatement or urban storm water runoff control projects. The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction, or modification of public water systems.

State revenue obligation bonds are issued to pay a required state match to the federal capitalization grant for each program. Federal law requires states to provide a 20% match to receive most capitalization grants and a 10% match for certain supplemental grants provided through the federal Infrastructure Investment and Jobs Act (IIJA) of 2021. Debt service payments are made from loan repayments.

[Act 19 Section: 450]

2. DEBT SERVICE REESTIMATE [LFB Paper 106] GPR - \$669,400
SEG - 3,500,000
Total - \$4,169,400

Reestimate GPR general obligation debt service by -\$1,007,300 in 2023-24 and \$337,900 in 2024-25. This includes adjustments of: (a) -\$621,200 in 2023-24 and \$692,800 in 2024-25 for the clean water fund; and (b) -\$386,100 in 2023-24 and -\$354,900 in 2024-25 for the safe drinking water loan program.

In addition, delete \$1,000,000 EIF SEG in 2023-24 and \$2,500,000 EIF SEG in 2024-25 from the annual appropriation for clean water fund debt service. Annual clean water fund SEG debt service is \$6,000,000 in 2023-24 and \$4,500,000 beginning in 2024-25.

EIF general obligation of debt service is associated with general obligation bonding that was previously issued to fund the state match and state-funded assistance. The following table shows debt service under Act 19.

Environmental Improvement Fund Debt Service

	Base	2023-24		2024-25	
		Change to Base	Total	Change to Base	Total
Clean Water Fund					
GPR	\$2,756,600	-\$621,200	\$2,135,400	\$692,800	\$3,449,400
SEG	<u>7,000,000</u>	<u>-1,000,000</u>	<u>6,000,000</u>	<u>-2,500,000</u>	<u>4,500,000</u>
Subtotal	\$9,756,600	-\$1,621,200	\$8,135,400	-\$1,807,200	\$7,949,400
Safe Drinking Water Loan Program					
GPR	<u>\$3,730,400</u>	<u>-\$386,100</u>	<u>\$3,344,300</u>	<u>-\$354,900</u>	<u>\$3,375,500</u>
Total	\$13,487,000	-\$2,007,300	\$11,479,700	-\$2,162,100	\$11,324,900