Natural Resources

Water Quality

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May 18, 2023 Joint Committee on Finance Paper #610

Well Compensation Grant Program (Natural Resources -- Water Quality)

[LFB 2023-25 Budget Summary: Page 462, #1]

CURRENT LAW

The well compensation grant program was created in 1984 to provide financial assistance for replacing, reconstructing, or treating contaminated wells that serve certain private residences or are used for watering livestock. Grants can also pay costs of well abandonment. The Department of Natural Resources (DNR) determines that wells meet certain eligibility criteria related to contamination from substances such as heavy metals, volatile organic compounds, industrial solvents, gasoline, fuel oil, paint, and pesticides. Under some circumstances, eligibility includes contamination from arsenic, livestock fecal bacteria, or nitrates. Grant recipients must have a family income not exceeding $65,000. The maximum eligible cost is $16,000, and the grant may cover up to 75% of eligible costs, equaling a maximum grant of $12,000. Grant recipients must pay a $250 copayment, unless the grant is for well abandonment.

The program is funded from a continuing appropriation in the environmental management account of the segregated (SEG) environmental fund, which means that appropriated unexpended funds are carried forward for expenditure in subsequent years. The program is appropriated $1,200,000 SEG in 2022-23, and in addition had an available carry-in balance of $2 million from 2021-22. Any funds not spent in 2022-23 will carry forward and be available for expenditure in 2023-24.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would adopt the following provisions regarding the well compensation grant program:

(a) Create a new appropriation and provide base funding of $1,000,000 GPR in 2024-25 for well compensation and well abandonment grants.

(b) Increase the maximum annual family income of the landowner or lessee of the property on which the contaminated well is located from $65,000 to $100,000.

(c) Allow an owner or renter of a transient non-community water supply apply for a grant. A transient non-community water supply is defined as a water system that serves at least 25 persons at least 60 days of the year but that does not regularly serve at least 15 connections to year-round residents or 25 of the same persons over six months per year. Examples would include campgrounds or gas stations.

(d) Specify that a well producing water containing levels of a per- or polyfluoroalkyl substance in excess of a DNR or Department of Health Services (DHS) advisory or the maximum level set by federal or state law, whichever is applicable, is eligible for grant funds.

(e) Specify that a well or private water supply that produces water with a concentration of at least 10 parts per billion of arsenic or 10 parts per million of nitrate nitrogen is an eligible contaminated well or contaminated private water supply.

(f) Delete the requirement that if a claim is based on contamination by nitrates and not by any other substance, DNR may make a well compensation award only if the well: (1) is used as a source of drinking water for livestock or for both livestock and a residence; (2) is used at least three months of each year and while in use provides an estimated average of more than 100 gallons per day for consumption by livestock; and (3) produces water containing nitrates exceeding 40 parts per million (ppm) nitrate nitrogen. This would make residential wells that are not also used to water livestock, and that have nitrate contamination, eligible for the program.

(g) Make the following program changes regarding well compensation grant awards: (1) allow a claimant whose family income is below the state's median income to receive a grant of up to 100% of eligible project costs, rather than 75% under current law, but not to exceed $16,000 as under current law; and (2) eliminate the requirement to reduce an award by 30% of the amount by which the claimant's income exceeds $45,000 if the claimant's family income exceeds $45,000.

(h) Create an exception to the current requirement that DNR must allocate money for the payment of claims according to the order in which completed claims are received. The exception would specify that if the well compensation grant program has insufficient funds to pay claims, DNR would have discretion to prioritize claims based on nitrate contamination in the following order of priority: (1) claims based on water containing more than 40 ppm nitrate nitrogen; (2) claims based on water containing more than 30 but not more than 40 ppm nitrate nitrogen; (3) claims based on water containing more than 25 but not more than 30 ppm nitrate nitrogen; (4) claims based on water containing more than 20 but not more than 25 ppm nitrate nitrogen; and (5) claims based on water containing more than 10 but not more than 20 ppm nitrate nitrogen. The bill would apply this prioritization to funding if the existing well compensation grant appropriation of $200,000 environmental management SEG each year or the GPR provided under AB 43/SB 70 were insufficient to pay claims.

Current Program

2. The well compensation grant program provides two types of grants. First, it provides financial assistance for replacing, reconstructing, or treating contaminated wells that serve certain private residences or are used for watering livestock. Second, grants can also pay costs of well abandonment. An owner or lessee of the property on which the contaminated well is located may submit a claim. Eligible wells include private water supplies used for potable water and that are: (a) a residential water supply, which is a well that is used for humans or humans and livestock and is connected to 14 or fewer dwelling units; or (b) a livestock water supply well used only for livestock. To be considered contaminated, the water supply must have been tested twice, at least two weeks apart, according to specified procedures, and the results exceed state or federal water standards for contaminants. In the past 15 years, well compensation grants have addressed contamination from livestock fecal bacteria, arsenic, metals, benzene, gasoline additives, nitrates, and pesticides.

3. Under certain circumstances, current eligibility includes contamination from nitrates. The statutes specify that if a claim is based on contamination by nitrates and not by any other substance, DNR may make a well compensation award only if the well: (a) is used as a source of drinking water for livestock or for both livestock and a residence; (b) is used at least three months of each year and while in use provides an estimated average of more than 100 gallons per day for consumption by livestock; and (c) produces water containing nitrates exceeding 40 parts per million expressed as nitrate-nitrogen. Residential wells contaminated by nitrates and not by any other substance are not eligible unless they are also used for livestock as described above.

4. Bacterial contamination is eligible if it is from livestock fecal contamination and in an area DNR has declared to be an area of special eligibility. DNR has declared 33 areas of special eligibility since 2006, seven of which were in Kewaunee County. Of this total, DNR declared three areas in 2018 through 2020, including one in Washington County, one in Brown County, and one in Dodge County. No additional areas have been declared. The statutes specify that a claim is ineligible if the contaminated private water supply is a residential water supply, is contaminated by bacteria or nitrates or both, and is not contaminated by any other substance, except if it is in an area of special eligibility.

5. The statutes specify that a claim is ineligible if all of the contaminants upon which the claim is based are naturally occurring substances and the concentration of the contaminants in water produced by the well does not significantly exceed the background concentration of the contaminants in groundwater at that location. Contamination from arsenic is currently eligible under the state-funded program only if it is equal to or exceeds a concentration of 50 parts per billion (ppb), also described as 50 micrograms per liter, which DNR has determined is the background concentration statewide.

6. Under administrative code Chapter NR 738, funds from a separate state-funded spills response appropriation from the environmental management account of the environmental fund are used to provide a permanent replacement water supply if the owner of the contaminated well is otherwise eligible for a well compensation grant and demonstrates financial hardship beyond the amount of financial assistance available through a well compensation grant. This appropriation is primarily used for DNR-led cleanups of contaminated sites where the responsible party is unknown

or cannot or will not clean up the site. In cases where the owner of the contaminated well meets financial hardship criteria, the grant recipient first receives a grant under the well compensation grant appropriation. Supplemental expenditures are made through the state-funded spills response appropriation. When supplemental financial hardship assistance is provided, the sum of assistance provided to a recipient sometimes exceeds the maximum eligible costs of $16,000 and maximum grant of $12,000 under the well compensation grant program.

7. When DNR makes a financial hardship payment from the state-funded spills response appropriation for a permanent replacement private water supply, the Department bases the payment on the annual family income of the well owner as follows: (a) if the annual family income of the well owner is 50% or less of the county median income for the county in which the residence is located, DNR may pay 100% of the remaining eligible costs not covered by a well compensation award, less a deductible amount of $250; (b) if the annual family income of the well owner is more than 50% but not more than 75% of the county median income for the county in which the residence is located, DNR may pay 50% of the remaining eligible costs not covered by a well compensation award, less a deductible amount of $250; and (c) if a well owner has received a well compensation grant, and if the well owner's share of eligible costs for the permanent replacement water supply exceeds 25% of the annual family income of the well owner, DNR may pay the remaining eligible costs not covered by a well compensation grant, less a deductible amount of 5% of the annual family income.

8. Table 1 shows expenditures under the well compensation grant program appropriation for the prior 10 fiscal years, and for 2022-23 to date. Expenditures can occur in the same or subsequent year as the year of the grant award. The number of well compensation awards for replacement, reconstruction, or treating the contaminated well ranged from one to 10 per year during the 10 years. The number of well abandonment awards ranged from 33 to 89 per year during the same time period. Table 1 also shows expenditures for supplemental financial hardship assistance for well compensation under the separate state-funded response appropriation. Annual expenditures have averaged $156,100 for the prior 10 fiscal years for the combined well compensation and supplemental financial assistance programs. DNR indicates it is unable to reasonably estimate how many wells are eligible for well compensation grants under current program eligibility requirements.

TABLE 1

Well Compensation Expenditures
2012-13 Through 2022-23

Fiscal Year	Well Compensation Grant Appropriation Expenditures	Supplemental Financial Hardship Expenditures*	Total
2012-13	$130,772	$81,348	$212,120
2013-14	88,579	25,584	114,163
2014-15	153,260	41,979	195,239
2015-16	115,585	35,910	151,495
2016-17	97,692	4,854	102,546
2017-18	123,288	61,350	184,638
2018-19	106,785	12,876	119,661
2019-20	144,714	111,210	255,924
2020-21	126,919	21,713	148,632
2021-22	76,369	0	76,369
2022-23**	51,983	10,334	62,317

* Expenditures made from SEG state-funded spills response appropriation.
** As of April 1, 2023.

Arsenic, Nitrate, and PFAS Contamination

9. Arsenic is an element that occurs naturally in soil and bedrock formations, and can be released into the groundwater and drawn into wells. The federal and state drinking water standards are 10 parts per billion (ppb). High levels of arsenic can increase the risk of some types of cancer, and may increase the negative health effects of blood vessel damage, high blood pressure, nerve damage, anemia, stomach upsets, and skin changes. DNR and DHS recommend that no one drink water that exceeds the drinking water standard of 10 ppb.

10. Nitrate is a compound made up of nitrogen and oxygen. Typical sources of nitrate include nitrogen fertilizers, animal manure, and human waste from septic systems or wastewater treatment facilities. The state and federal nitrate drinking water standards are 10 parts per million (ppm). High levels of nitrates can negatively impact the ability of blood in a person's body to carry oxygen, which, in infants can cause a harmful health condition known as "blue baby syndrome." Studies suggest that high levels of nitrates may also increase the risk of certain other health problems, such as thyroid disease, diabetes, and some types of cancer. DNR and DHS recommend that no infant or any female who is or may become pregnant should consume any water that exceeds the nitrate standard, either by drinking or eating foods prepared with the water (such as formula, juices, and coffee). In addition, DHS recommends that all people avoid long-term consumption of water that has a nitrate level greater than 10 ppm.

11. DNR believes arsenic is being released into groundwater at elevated levels in the areas of Outagamie, Winnebago, and Brown Counties, at least partly because people are using more water than years ago. This has lowered the water table, drawing more arsenic into groundwater. High levels of arsenic have been found in wells in most areas of the state. Recent studies of private wells have identified high levels of nitrates in wells in the northeastern, western, and southwestern areas of Wisconsin. It is uncertain how many wells have water exceeding both the arsenic and nitrate standard.

12. The well compensation grant program was created in 1983 Wisconsin Act 410, the groundwater act, after a 1982 Legislative Council study committee made several recommendations related to groundwater. There was discussion during the development of the legislation about which contaminants were of great enough concern to be eligible for compensation. The original authorizing language created the limitation on eligibility for residential wells contaminated by nitrates and not used for livestock, and this provision has existed since then. The state nitrate standard went into effect prior to creation of the program, and the federal standard went into effect several years after the program was created.

13. In the 1980s, it was sometimes considered acceptable to address nitrate contamination by providing bottled drinking water for infants and pregnant women. DNR currently considers provision of bottled water a temporary solution to drinking water quality issues and not a viable long-term solution because it is cumbersome and expensive. NR 738 authorizes provision of temporary emergency water supplies for up to six months when a water supply is adversely affected by environmental pollution or a hazardous substances discharge. However, this code provision specifically excludes contamination by nitrates.

14. Per- and polyfluoroalkyl substances (PFAS) are synthetic, water-resistant compounds commonly found in nonstick surfaces, cookware, paint, and firefighting foam. They are an emerging class of contaminants that were not researched extensively until the early 2000s, when the National Institute for Occupational Safety and Health (NIOSH) began investigations of industrial workplace exposure. The Environmental Protection Agency reports that there are at least 12,000 unique types of PFAS. They are resistant to temperature, water, and oil. Epidemiological research and studies indicate that PFAS are toxic to humans, as they do not easily degrade and tend to accumulate in humans, animals, and the environment. In parts of the state, PFAS have dispersed through the environment from such sources as: (a) discharges of firefighting foams in municipal and military firefighting uses; and (b) industrial waste discharged to municipal sewerage systems, and then applied to land as septage (bio-solids). DNR maintains an interactive data map which displays all locations in the state where PFAS contamination has been identified. Each year, more locations are identified.

15. In June of 2022, the U.S. Environmental Protection Agency (EPA) updated a 2016 interim federal health advisory for two chemicals in the PFAS family of compounds, PFOA and PFOS. The 2022 action lowered the advisory level from 70 parts per trillion (ppt) to 0.004 ppt and 0.02 ppt, respectively. In March of 2023, the EPA released a draft of proposed rules for PFOA and PFOS at a limit of 4 ppt in drinking water. A hazard index would apply to four other forms of PFAS. Wisconsin's drinking water limit is currently set at 70 ppt for PFOA and PFOS. The state's maximum contaminant levels (MCLs) were created to match federal guidance from 2016 and would ultimately have to conform to the federal change.

16. DNR recommends, but does not require, that private well owners test their water annually. The state does not require private well owners to take any specific action if their well produces water with arsenic concentrations above 10 ppb or nitrate concentrations above 10 ppm. If a well owner wants to reduce the consumption of water containing arsenic or nitrate, the owner generally has the following options: (a) replace the well by constructing a new deeper well; (b) install a treatment system designed to remove nitrates; (c) connect to a community water supply (a public water system that serves at least 15 service connections used by year-round residents) instead of continuing to use the well; (d) reconstruct the well by deepening it, adding a liner, replacing the pump or making other physical modifications; or (e) temporarily use bottled drinking water. There is no specific nitrate or arsenic concentration threshold that determines which of these options a well owner should take. The well owner's decision on how to respond to arsenic or nitrate contamination is based on factors such as the owner's level of concern about the health risks of nitrates or arsenic, whether infants or pregnant women are consuming the water, the cost and affordability of options, the expected timeframe for a residence to be using the well, nearby land uses that may produce contaminants affecting the well, the well depth necessary to obtain water that does not exceed the drinking water threshold, the ability of a treatment system to treat the specific arsenic or nitrate level at the well, and the availability and proximity of a nearby community water supply.

17. Under current law, a well producing water with PFOA or PFOS concentrations at 70 ppt or above is eligible for a well compensation or well abandonment grant, based on the state MCL. Further, the promulgation of a federal MCL would make wells eligible for the state-funded well compensation program under current law if the contamination were from PFOA or PFOS at a concentration of at least 4 ppt, or from other federally-specified PFAS with a cumulative exposure reaching the hazard index. Under the bill, a well would also be eligible under the state-funded program if it produces water containing levels of specified PFAS compounds in excess of a federal interim drinking water health advisory, but only until the advisory would be superseded by the federal MCL or state enforcement standard. The federal rule is expected to be promulgated in 2023 or 2024.

18. The rationale for expanding grant eligibility to residential well contamination from nitrates that exceeds 10 ppm and arsenic that exceeds 10 ppb is that these are the federal and state standards. DNR does not track how many residential wells have nitrate contamination above 10 ppm, but the Department estimates that approximately 42,000 wells (6% of approximately 700,000 private wells in the state) produce water with nitrate contamination above the 10 ppm standard. DNR does not track how many wells have arsenic contamination above 10 ppb, but the Department estimates that 40,000 wells (5.7% of approximately 700,000 private wells in the state) produce water with arsenic contamination above the 10 ppb standard and below a 50 ppb background concentration threshold. The prevalence of PFAS-contaminated wells is unknown; additional affected wells are discovered as households seek testing, such as in conjunction with nearby site investigations.

19. The full cost of replacing nitrate-, arsenic-, or PFAS-contaminated wells in Wisconsin is unknown. The 2022 report of the Wisconsin Groundwater Coordinating Council (GCC) estimates a total replacement cost of $446 million for an estimated 42,000 wells with nitrate exceeding 10 ppm. The 2022 GCC report also notes a variety of data sources indicate nitrate contamination of groundwater "has increased in more locations over time rather than decreased." Some portion of households served by contaminated wells would be eligible for well compensation grants. However,

the income distribution of households with contaminated wells is unknown. It is likely that currently available balances in the well compensation program and the environmental management account are not sufficient to address expeditiously a significant number of wells with nitrate contamination exceeding 10 ppm.

ARPA-Funded Well Compensation Grant Program

20. In August of 2022, the Governor announced a $10 million federal American Rescue Plan Act (ARPA)-funded well compensation grant program to support the replacement, reconstruction, treatment, or abandonment of contaminated private wells. The program is based on the state's current well compensation grant program; however, eligibility and income criteria are consistent with the criteria proposed under Assembly Bill 43/Senate Bill 70. Therefore, the ARPA-funded program may indicate the number of wells and grant funds eligible each year under the provisions of the bill.

21. DNR reports that the ARPA-funded program began accepting applications on October 3, 2022. Table 2 shows all data from the ARPA-funded program as of April 1, 2023. A total of 230 applications have been received for well compensation and well abandonment grants. Of those, 186 applications were for private contaminated wells, and 44 were for transient non-community water supplies. Of the 230 total applications, 96 have been approved for well compensation grant awards, with 80 having nitrate contamination above 10 parts per million, six with arsenic contamination above 10 parts per billion, one with PFAS contamination above 70 parts per trillion, and nine with other contaminants. $1.5 million in eligible awards have been approved for payment, and $99,200 has been expended as of April 1, 2023.

TABLE 2

ARPA-Funded Well Compensation Grant Program

	Total Applicants		Applicant Status			
Grant Type	Private Well	Transient Non-Community Water Supply	Under Review	Eligible	Ineligible	Awards Issued
Well Compensation	131	41	32	27	17	96
Well Abandonment	55	3	2	1	4	51

	Contaminants Reported for Awarded Grants				Total ARPA Grant Funds Awarded	
Grant Type	Nitrate	Arsenic	PFAS	Other	Eligible Awards	Actual Funds Paid
Well Compensation	80	6	1	9	$1,509,400	$99,200
Well Abandonment	N/A	N/A	N/A	N/A		

22. The ARPA-funded program has been in effect since October 3, 2022. Given that the program operated under identical criteria to the proposed program under AB 43/SB 70, it could be estimated that up to $3 million in claims annually would be eligible for reimbursement.

23. 2021 Wisconsin Act 58, the biennial budget act, provided an additional $1 million each year to the well compensation grant program on a one-time basis in the 2021-23 biennium, bringing its total authorization to $1.2 million annually. However, DNR reports that the funds were unspent due to program eligibility requirements that precluded applicants. DNR indicates that if increased funding is provided without changes to program eligibility, the funding will continue to remain unspent.

24. Due to the public health concerns in consuming water from wells contaminated with nitrate, arsenic, and PFAS, the Committee could consider adopting provisions of AB 43/SB 70 to change eligibility for the well compensation grant program [Alternatives A1, B1, and C1]. While the bill would expand eligibility to nitrate, arsenic, and PFAS contamination, the eligibility expansion would conflict with two provisions in current law. The bill would not exempt arsenic or nitrate contamination from the requirement that DNR must deny claims that exceed the background level of contamination. Currently, this statutory provision precludes claims with arsenic concentration less than 50 ppb. In addition, the bill does not exempt arsenic or nitrate contamination from the requirement that DNR must deny claims if the contaminated private water supply is a residential water supply contaminated by bacteria or nitrates or both, and is not contaminated by any other substance. If the Committee chooses to expand eligibility for arsenic [Alternative A1] or nitrates [Alternative B1], it would be appropriate to include these exemptions from the current provisions for denial of claims to make it clear that arsenic and nitrate contamination are eligible. It could also be argued that DNR should be required to prioritize claims with nitrate contamination according to the level of contamination [Alternative B2], due to the desirability of eliminating wells with the greatest risks to public health.

25. Some may suggest that the recommended expansion of eligibility for arsenic, nitrate, and PFAS contamination should not be approved because: (a) contaminated wells should be replaced by the owner as a normal part of the responsibility of owning a property; and (b) households that do not have sufficient funds on hand to pay for the cost of replacing a contaminated well have the option of seeking a loan from a financial institution. The Committee could take no action on expansion for arsenic, nitrates, and PFAS [Alternatives A2, B3, and C2].

Income Limit, Eligible Facilities, Grant Formula Changes, and Funding

26. The maximum well compensation grant program income has not been increased since 1995. A decision on whether to increase the maximum income limit could be made separately from the decision on whether to change the eligibility for arsenic, nitrate, and PFAS contamination. Some might argue that the maximum eligible income should be increased to $100,000 to benefit additional households with moderate incomes [Alternative D1]. This would also recognize the financial difficulty that a household with income between $65,000 and $100,000 might experience in paying for the $18,900 average well replacement cost estimated by DNR. A $100,000 maximum eligibility income may also be appropriate given $65,000, when adjusted for inflation by the national Consumer Price Index since July, 1995, would be approximately $130,100 in present value.

27. To avoid a significant increase in the program's income limit, the Committee could also approve an increase to $80,000 in annual family income [Alternative D2]. Leaving the program income limit at $65,000 [Alternative D3] would also continue to target assistance to those households perhaps least likely to afford the cost of well replacement.

28. The Committee could allow transient non-community water supplies to be eligible for grant funds [Alternative E1]. These water supplies include places like gas stations or campgrounds, where people do not remain for long periods of time. Such places can function as necessary drinking water providers for short-term customers and visitors, and who may be unable to afford well replacement costs. The Committee could also take no action [Alternative E2].

29. Providing all grants at 75% of costs instead of phasing the grant down by 30% of the amount by which income exceeds a threshold (such as the $45,000 current law threshold) as income increases could be viewed preferable to avoid additional administrative impositions on DNR program staff. Further, DNR indicates the grant reduction formula often results in no, or a minimal, well abandonment award, which are generally smaller awards than well compensation grants. The Committee could consider repealing the grant phase-out [Alternative F1]. The Committee could also consider increasing the grant phase-out income level to $65,000 [Alternative F2].

30. Under AB 43/SB 70, DNR would be authorized to award grants of up to 100% of costs for households with up to the statewide median family income (estimated at $85,028 in 2021). This could be viewed as reasonable to provide additional support to families and households under the program [Alternative G1]. However, many state grant programs require some percentage match by participants, which helps ensure grantees administer projects with appropriate oversight for costs and quality if the project involves state funding. The Committee could authorize DNR to issue 100% grants for grantees below the statewide median household income (estimated at $69,021 in 2021), to better target assistance to those most in need [Alternative G2]. The Committee could also take no action [Alternative G3], under which DNR could continue using hardship provisions of NR 738.

31. The provision of additional funding in 2024-25 under AB 43/SB 70 would have the effect of appropriating additional state funding as allocated federal funding is expiring. States must fully obligate their discretionary allocations under ARPA by December 31, 2024, and the funds must be fully expended by December 31, 2026. Any funds that have not been obligated or expended by those dates must be returned to the U.S. Treasury Department. With federal funding no longer allocable as of January 1, 2025, the Committee could consider providing $1,000,000 beginning in 2024-25 [Alternative H1] or $500,000 beginning in 2024-25 [Alternative H2]. Funding could be from either of GPR or environmental management SEG. It could be argued that the ARPA-funded program, with nearly $8.5 million in remaining, uncommitted grant funding, is sufficient, and expansion of the state program is not necessary.

ALTERNATIVES

A. Eligibility for Arsenic Contamination

1. Add to the definition of eligible contaminated well or private water supply a well that

produces water containing arsenic of at least 10 parts per billion. In addition, exempt wells with arsenic contamination of at least 10 parts per billion from the requirements that: (a) a claim shall be denied if the concentration exceeds the background concentration of the contaminant; and (b) the contaminated private water supply is a residential water supply contaminated by bacteria or nitrates or both, and is not contaminated by any other substance.

2. Take no action. (Wells with contamination from arsenic of at least 10 ppb and less than 50 ppb would continue to be ineligible for the state-funded program.)

B. Eligibility for Nitrate Contamination

1. Make the following statutory changes to the program: (a) add to the definition of eligible contaminated well or private water supply a well that produces water containing nitrates of at least 10 parts per million; (b) delete the current limitations on claims for contamination by nitrates, making residential wells with nitrate contamination eligible; and (c) authorize DNR to prioritize claims for nitrate contamination based on five categories of concentration of parts per million nitrate nitrogen, with higher priority provided to higher concentrations, as specified in AB 43/SB 70. In addition, exempt wells with nitrate contamination of at least 10 parts per million from the current requirements that a claim be denied if: (a) the concentration exceeds the background concentration of the contaminant; and (b) the contaminated private water supply is a residential water supply contaminated by bacteria or nitrates or both, and is not contaminated by any other substance.

2. Approve Alternative B1, but require DNR to prioritize eligibility for higher concentrations of nitrates.

3. Take no action.

C. Eligibility for PFAS Contamination

1. Specify that a well producing water containing levels of per- or polyfluoroalkyl substances in excess of the maximum level set by federal or state law is eligible for grant funds.

2. Take no action. (Wells with PFAS contamination would continue to be ineligible for the program).

D. Maximum Income

1. Increase the maximum eligible annual family income of the landowner or lessee of the property on which the contaminated well is located to $100,000.

2. Increase the maximum eligible annual family income of the landowner or lessee of the property on which the contaminated well is located to $80,000.

3. Take no action. (This would maintain the current $65,000 maximum annual family income.)

E. Transient Non-Community Water Supplies

1. Allow an owner or renter of a transient non-community water supply to apply for a grant. (A transient non-community water supply is defined as a water system that serves at least 25 persons at least 60 days of the year but that does not regularly serve at least 25 of the same persons over six months per year.)

2. Take no action. (This would maintain current law wherein owners or renters of transient non-community water supplies are not eligible for grants under the program).

F. Grant Formula

1. Repeal the current requirement that the grant is reduced by 30% of the amount by which the claimant's family income exceeds $45,000.

2. Specify grants are reduced by 30% of the amount by which the claimant's family income exceeds $65,000 (instead of $45,000 under current law).

3. Take no action. (This would maintain the current law reduction of the grant by 30% of the amount by which the claimant's family income exceeds $45,000.)

G. Eligibility for 100% Grant

1. Authorize DNR to award a grant of up to 100% of eligible costs if the annual family income of the claimant is below the median family income of the state ($85,028 in 2021).

2. Authorize DNR to award a grant of up to 100% of eligible costs if the annual family income of the claimant is below the median household income of the state ($69,021 in 2021).

3. Take no action. (DNR could continue to utilize the current administrative code provisions of NR 738 for supplemental financial assistance beyond the amounts provided from the well compensation grant appropriation.)

H. Well Compensation Grant Program Funding

1. Provide $1,000,000 in 2024-25 for well compensation and well abandonment grants. Specify one of the following fund sources:

a. GPR in a new annual appropriation; or

ALT H1a	Change to Base
GPR	$1,000,000

b. Environmental management SEG.

ALT H1b	Change to Base
SEG	$1,000,000

2. Provide $500,000 in 2024-25 for well compensation and well abandonment grants. Specify one of the following fund sources:

a. GPR in a new annual appropriation; or

ALT H2a	Change to Base
GPR	$500,000

b. Environmental management SEG.

ALT H2b	Change to Base
SEG	$500,000

3. Take no action. (Base funding would remain $200,000 environmental management SEG each year.)

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May 18, 2023 Joint Committee on Finance Paper #611

Winnebago Lake System Staffing (Natural Resources -- Water Quality)

[LFB 2023-25 Budget Summary: Page 465, #8]

CURRENT LAW

Lake Winnebago is Wisconsin's largest inland lake, at 131,939 acres in size and stretching across Calumet, Fond du Lac, and Winnebago Counties. The lake supports large populations of fish, including sturgeon, walleye, white bass, northern pike, perch, and bluegill, all of which provide recreational fishing and sustenance to anglers and local communities. Additionally, the lake provides drinking water to more than 200,000 people in the state. The Department of Natural Resources (DNR) is responsible for part of oversight of the lake's fisheries, welfare, and ecosystem. DNR employs a variety of fisheries management, regulatory, and restoration-focused staff to maintain the health of the lake and to minimize overfishing, storm water runoff, and degradation of infrastructure.

DNR works in partnership with the Fox-Wolf Watershed Alliance nonprofit organization and several other parties to execute the 'Winnebago Waterways Lake Management Plan.' Since 2010, these groups have aimed to maintain safe and accessible aquatic recreation, protect fish communities, improve water quality, increase research efforts, and encourage public participation in all of these initiatives.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would provide $109,900 in 2023-24 and $146,500 in 2024-25 with 2.0 positions to increase staffing for Lake Winnebago local lake protection and restoration efforts, including water quality and habitat improvement projects. Duties of the positions would include oversight of breakwall projects, water level management, and bird and waterfowl management.

2. Under the Winnebago Waterways Lake Management Plan, the counties of Fond du Lac, Calumet, and Winnebago, in partnership with DNR and several other parties, aim to restore the Lake Winnebago system due to poor water quality and degraded habitats. Under the plan's 2020 report, issues cited included harmful algal blooms, excessive nutrients and sediment, low water clarity, and degraded aquatic habitat. Additionally, the report notes that there are at least 10 invasive species residing in the lake, and shorelines are eroding. Phases 1, 2, 3, and 4 of the management plan are considered complete. Those phases included discussions with stakeholders, management options, and planning. Phase 5 involves implementation efforts that began in 2020 and are still underway.

3. Efforts under the plan have been funded through an intergovernmental cooperative agreement among the three counties and DNR, with support from DNR's surface water grants and the Great Lakes Restoration Initiative. In-kind support has been provided through volunteer hours.

4. AB 43/SB 70 would budget the positions under DNR's waterways and wetlands program in the Division of External Services, funded from the environmental management account of the segregated (SEG) environmental fund. Since the bill's introduction, the Administration and DNR indicate that it would be more consistent with the positions' duties and funding sources to budget 1.0 position for lake management in the water quality program in the Division of Environmental Management, and the 1.0 position for habitat management efforts in the fisheries program in the Division of Fish, Wildlife, and Parks. The Department reports that the work intended for the 2.0 requested positions cannot be absorbed by existing staff.

5. The position supporting lake management in the water quality program would assist with: (a) measuring concentrations of nutrients and minerals to ensure safe levels; (b) conducting biotic and physical assessments of the lake; and (c) consulting on breakwall construction. This 1.0 position would be funded at $54,900 in 2023-24 and $73,300 in 2024-25 by environmental management SEG. The environmental management account is expected to have an available balance of $33.2 million on June 30, 2023, and could reasonably handle the ongoing expense of the 1.0 waterways position.

6. The position supporting habitat management would work to: (a) increase and protect habitat abundance, quality, and diversity; (b) increase wetland and grassland acreage; and (c) promote collaboration and facilitated management for habitat restoration and protection. This 1.0 position would be funded at $55,000 in 2023-24 and $73,200 in 2024-25 in the Division of Fish, Wildlife, and Parks.

7. Typically, fisheries management positions would be supported by the fish and wildlife account of the segregated conservation fund. The Committee could authorize 1.0 SEG position under the fish and wildlife general operations appropriation [Alternative 2a].

8. The fish and wildlife account is anticipated to have insufficient available balances and ongoing revenues in the 2023-25 biennium under current law to support all budgeted expenditures. (See the separate issue paper under "Natural Resources -- Fish, Wildlife, and Natural Heritage Conservation.") The Committee could consider an alternative source of a GPR general operations appropriation for fisheries management, which has base funding of $1,315,100 each year of the 2023-25 biennium [Alternative 2b]. Funding in this appropriation is mostly associated with the Wisconsin

Walleye Initiative begun under 2013 Wisconsin Act 20. As the Lake Winnebago system has a well-known walleye fishery, such a funding source could be viewed as appropriate for the position. The Committee could consider authorizing the position only in the 2023-25 biennium, and DNR would be authorized to fund the positions with existing funding. The position would then receive full funding under standard budget adjustments in the 2025-27 biennial budget bill.

9. In addition to any of the alternatives above, the Committee could specify that the positions are two-year [Alternative 3a] or four-year [Alternative 3b] project positions. Project positions may be appropriate to allow program implementation to proceed in the coming two to four years, and an assessment of future need could be made upon the positions' expiration. The Committee could also take no action [Alternative 4].

ALTERNATIVES

1. Provide 1.0 lake management position with $54,900 environmental management SEG in 2023-24 and $73,300 in 2024-25 to increase staffing for Lake Winnebago local lake protection and restoration efforts.

ALT 1	Change to Base	
	Funding	Positions
SEG	$128,200	1.00

2. Provide 1.0 fisheries management position to increase staffing for Lake Winnebago local lake protection and restoration efforts from one of the following:

a. Fish and wildlife SEG, with $55,000 SEG in 2023-24 and $73,200 in 2024-25.

ALT 2a	Change to Base	
	Funding	Positions
SEG	$128,200	1.00

b. General purpose revenues.

ALT 2b	Change to Base
	Positions
GPR	1.00

3. In addition to any of the alternatives above, specify that the positions are project positions with terms of:

a. Two years; or

b. Four years.

4. Take no action.

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May 18, 2023 Joint Committee on Finance Paper #612

Dam Safety Bonding
(Natural Resources -- Water Quality)

[LFB 2023-25 Budget Summary: Page 466, #11]

CURRENT LAW

The Department of Natural Resources (DNR) administers the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns and public inland lake protection and rehabilitation districts for the repair, reconstruction, or removal of municipal dams. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. DNR is required to keep an inventory of all dams requiring a dam safety project and provide notice to the owner of a dam that is included in the inventory, and DNR is required to establish a notice and hearing process for a dam owner to object to the inclusion of the owner's dam on the inventory list. Dam safety grants may also be awarded to remove abandoned dams or to a private dam owner to voluntarily remove their dam.

A total of $46.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including $4 million in each biennium since 2009-11 and $10 million in 2021-23. Debt retirement costs on $39.5 million (86%) of program bonds are funded with general purpose revenues (GPR). The debt service on the remaining $6.6 million (14%) is funded from the water resources account of the segregated (SEG) conservation fund. Beginning in 2021-22, grants for dam repair and reconstruction were provided for up to 50% of the first $1,000,000 in project costs and up to 25% of the remaining project costs, up to a $1,000,000 maximum grant award.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would provide $10,000,000 in GPR-supported general

obligation bonding authority for dam safety grants. No specific estimate of debt service payments is made for the program during the biennium. However, principal and interest on $10 million in general obligation bonds could be expected to total approximately $800,000 annually, assuming all bonds were issued for 20 years. The following table shows allocations, applications, and project values for dam safety project grants in recent biennia.

Dam Safety Bonding Allocations

Biennium	Authorized Funding	Applications	Project Value
2013-15	$4,000,000	41	$12,300,000
2015-17	4,000,000	21	6,500,000
2017-19	4,000,000	28	7,400,000
2019-21	4,000,000	32	10,500,000
2021-23	10,000,000	24	10,300,000

2. 2021 Wisconsin Act 58 provided $10 million in GPR-supported general obligation bonding authority for dam safety grants. DNR reports demand aligned closely with the allocation. DNR received 24 qualified municipal dam grant applications with a total project value of $10.3 million. State funding totaled $7 million after statutory matching fund limitations were applied. Of the remaining $3 million, DNR is directed by 2021 Act 58 to provide $1 million to the Sheboygan Marsh dam. A remaining $1.25 million is reserved for dam removal grant funding to support ongoing applications received in the 2021-23 biennium for privately-owned dam removals. The sum of total allocated funds in the 2021-23 biennium is $9.25 million.

3. Over the last 10 years, applications for dam safety projects have averaged $9.4 million each biennium. DNR contends that it is likely that demand will remain consistent in upcoming cycles, especially due to stronger interest in the previous two cycles than in preceding biennia.

4. DNR issues directives to dam owners regarding maintenance, repair, and removal following dam safety inspections. DNR-issued directives ensure that dams are in compliance with administrative code and can range from minor maintenance concerns to major repair or reconstruction orders. As of May, 2023, DNR reports there are 700 dams under directives following inspection that have not yet completed the required work. DNR also issues administrative orders in cases when a dam is deemed very unsafe, often due to flood damage or neglect. Administrative orders often include requirements to draw down an impoundment and to remove or repair the dam. DNR reports there are approximately 35 dams that have been issues administrative orders that have not yet been repaired or removed.

5. The Wisconsin Initiative on Climate Change Impacts (WICCI), a partnership between the UW-Madison Nelson Institute for Environmental Studies and DNR, has compared historical records of precipitation and applied international consensus models to Wisconsin conditions to estimate future potential changes in Wisconsin precipitation. In central and southern Wisconsin, total annual precipitation has increased approximately 20% since 1950. Additionally, WICCI reports that extreme participation events have become more frequent from 2010 to 2019, and anticipates that this

trend will continue in future decades. While increasing precipitation overall may not necessarily be indicative of increased flooding events, increased occurrences of days with significant rainfall can demonstrate the potential for adverse flooding events that overwhelm the existing capacity of failure-vulnerable dams to withstand such rainfall events.

6. The Federal Emergency Management Agency (FEMA) maintains a declared disasters database, including information about major disaster declarations and emergency declarations. According to FEMA, there have been 19 major disaster declarations in Wisconsin related to flooding since 1969. Five of these disasters have occurred since October, 2016, suggesting that severe precipitation events are increasing in frequency. FEMA also maintains the National Dam Inventory for classification of dams in each state. As of May, 2023, 39 dams in Wisconsin are classified as poor and 17 are classified as unsatisfactory.

7. The Infrastructure, Investment and Jobs Act (IIJA) provided additional funding to FEMA for dam safety programs. Funding includes $585 million for the Rehabilitation of High Hazard Potential Dams (HHPD) grant program and $148 million for the National Dam Safety Program (NDSP) state assistance grant program. Since federal fiscal year 2019, Wisconsin has received $460,100 from the NDSP state assistance grant program. Wisconsin has not received any awards from HHPD to date.

8. In the event of heavy rainfall, the amount of water flowing downstream can increase rapidly, causing flooding in low-lying areas. Dams can store some excess water and release it slowly over time, reducing the peak flow downstream and helping to prevent or mitigate flooding. Dam repair and reconstruction can improve public safety and avert property losses in the event of major flooding. Given the potential benefits of dam repair and reconstruction, the demonstrated demand for the program in recent biennia, and the recent inflationary trends affecting engineering and construction projects, the Committee could consider providing $10,000,000 in GPR-supported general obligation bonding authority for dam safety grants in the 2023-25 biennium [Alternative 1].

9. The Committee could instead consider providing $4,000,000 in GPR-supported general obligation bonding authority for dam safety grants in the 2023-25 biennium, consistent with what had been provided each biennium from 2009-11 to 2019-21 [Alternative 2]. The Committee could also choose to take no action. Additional dam safety bonding would not be provided in the 2023-25 biennium [Alternative 3].

ALTERNATIVES

1. Provide $10,000,000 in GPR-supported general obligation bonding authority for dam safety grants in 2023-25.

ALT 1	Change to Base
BR	$10,000,000

2. Provide $4,000,000 in GPR-supported general obligation bonding authority for dam

safety grants in 2023-25.

ALT 2	Change to Base
BR	$4,000,000

3. Take no action.

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May 18, 2023 Joint Committee on Finance Paper #613

Nonpoint Account Overview (Natural Resources -- Water Quality)

CURRENT LAW

The environmental fund consists of: (a) the nonpoint account, which is the primary funding source for nonpoint source water pollution abatement programs in Wisconsin; and (b) the environmental management account, which primarily supports Department of Natural Resources (DNR) programs related to recycling, groundwater, and cleanup of contaminated lands. The two accounts are statutorily designated as one fund but are tracked separately for budgetary purposes. For discussion of the environmental management account, see the budget paper entitled "Environmental Management Account Overview."

The nonpoint account supports state and local programs to prevent and control nonpoint source water pollution in rural and urban settings. The account funds two basic types of grants to assist local governments: (a) grants from the Department of Agriculture, Trade and Consumer Protection (DATCP) to county land conservation departments for costs associated with land and water conservation staff; and (b) DATCP and DNR grants distributed to landowners through counties, or directly to municipalities for the installation of structures and practices to abate nonpoint source water pollution. In most cases, state law requires an offer of cost-sharing if agricultural landowners are to be required to modify existing practices or structures to abate nonpoint source water pollution. This share typically must be at least 70% of the cost of installation. Projects related to urban storm water management may be cost-shared at up to 50% of eligible project costs, although state cost-sharing is not required for projects or practices installed to bring urban areas into compliance with state performance standards.

DISCUSSION POINTS

1. This paper provides a general overview of the nonpoint account, including the estimated condition and general information about revenues and expenditures for the account during the 2023-

25 biennium. Discussion and alternatives for individual budget issues affecting the nonpoint account are included in separate budget papers. However, any changes in expenditures from the account under specific budget issues will impact the availability of funding for other items under consideration.

Revenues

2. Table 1 shows revenues to the nonpoint account. While nonpoint SEG represents the primary funding source for nonpoint programs, funding also comes from federal Clean Water Act (Section 319) funding, bond revenues, and general purpose revenues (GPR).

3. Nonpoint account revenues are derived from: (a) a portion of state tipping fees on solid waste disposed of at a Wisconsin landfill, equal to $3.20 per ton and totaling $14.4 million in 2021-22; (b) an annual transfer from the general fund of $7,991,100; (c) an annual transfer from the environmental management account of $6,150,000; and (d) interest earnings and miscellaneous income, equal to $39,600 in 2021-22.

4. During the 2023-25 biennium, tipping fees are expected to contribute 56% of nonpoint revenues, the GPR transfer will contribute 25% of revenues, and the environmental management account transfer will contribute 18%, with the small remaining amount reflecting interest income from investment of the fund balance.

TABLE 1

Nonpoint Revenues by Category

	GPR Transfer	SEG Transfers	Tipping Fee[a]	Other Revenue	Total Revenue
2007-08	$11,514,000	$0	$792,600	$333,900	$12,640,500
2008-09	13,625,000	0	5,259,400	35,300	18,919,700
2009-10	12,863,700	0	10,662,000	-2,300	23,523,400
2010-11	12,863,700	0	17,773,900	-4,500	30,633,100
2011-12	10,974,200	0	12,851,400	-2,500	23,823,100
2012-13	11,315,500	0	24,399,100	31,100	35,745,700
2013-14	11,143,600	650,000[b]	13,432,800	27,600	25,254,000
2014-15	11,143,600	1,300,000[b]	19,822,700	2,000	32,268,300
2015-16	11,143,600	1,000,000[c]	8,615,800	3,100	20,762,500
2016-17	11,143,600	1,000,000[c]	14,977,700	10,200	27,131,500
2017-18	7,991,100	3,652,500[b]	21,921,800	28,900	33,594,300
2018-19	7,991,100	3,652,500[b]	19,491,300	98,400	31,233,300
2019-20	7,991,100	6,150,000[b]	17,639,300	289,200	32,069,600
2020-21	7,991,100	6,150,000[b]	26,380,400	185,500	40,707,000
2021-22	7,991,100	6,150,000[b]	14,441,500	39,600	28,622,200
2022-23[d]	7,991,100	6,150,000[b]	18,158,100	200,000	32,499,200

[a] Tipping fees vary based on timing of year-end billings, which may be collected the following fiscal year.
[b] From the environmental management account.
[c] From the segregated agricultural chemical cleanup fund.
[d] Estimated.

Expenditures

5. As seen in Table 2, nonpoint account expenditures support: (a) debt service payments on general obligation bonds issued for nonpoint grants (41% of budgeted expenditures in 2022-23); (b) grants for nonpoint programs (43%); and (c) DATCP and DNR regulatory and technical assistance staff, and other administration costs (16%). Grants are provided from both nonpoint SEG and nonpoint SEG-supported bonding. Grants supported by bond revenues represent long-term improvements to the state's waters. To reflect these long-term benefits, projects are financed through bond revenues and subsequent nonpoint SEG-supported debt service payments. The account supports 20.30 positions at DATCP and 19.14 at DNR related to regulation of nonpoint pollution and administration of nonpoint grant programs. DNR is also appropriated nonpoint SEG for contracts with UW-Madison Division of Extension and other organizations for education, research, and technical assistance activities related to nonpoint source water pollution.

TABLE 2

Nonpoint Expenditures by Category

	Debt Service	Grants	Operations	Total Expenditures	Transfers
2007-08	$847,700	$6,610,300	$4,993,500	$12,451,500	$301,400
2008-09	847,700	6,851,100	5,339,500	13,038,300	4,230,300
2009-10	5,203,000	6,833,800	4,585,300	16,622,100	7,547,500
2010-11	10,699,400	5,915,200	4,305,900	20,920,500	6,943,500
2011-12	13,279,600	6,053,800	4,522,300	23,855,700	0
2012-13	14,388,500	7,968,000	5,324,600	27,681,100	0
2013-14	15,528,600	6,850,300	4,454,500	26,833,400	0
2014-15	14,844,900	8,684,600	5,570,800	29,100,300	0
2015-16	15,724,100	9,599,000	5,361,300	30,684,400	0
2016-17	15,309,100	9,537,100	5,652,600	30,498,800	0
2017-18	15,582,500	8,839,900	4,733,200	29,155,600	0
2018-19	16,004,100	10,281,900	4,609,700	30,895,700	0
2019-20	15,682,500	10,272,700	5,573,900	31,529,100	0
2020-21	15,108,400	10,443,000	5,323,900	30,875,300	0
2021-22	13,669,800	10,664,100	5,335,400	29,669,300	0
2022-23 [a]	14,295,800	15,155,800	5,429,900	34,881,500	0
2023-24 [b]	13,756,300	10,961,900	5,298,900	30,017,100	0
2024-25 [b]	16,651,200	10,961,900	5,298,600	32,911,700	0

[a] Budgeted.
[b] Base budget, including Committee action to date.

6. Funding shown in Table 2 for the 2023-25 biennium under the adjusted base and Committee action to date is lower than for 2022-23 primarily due to expiration of one-time funding and lower anticipated debt service costs in 2023-24. Funding provided on a one-time basis during the 2021-23 biennium included: (a) county conservation staff ($1,377,300 in 2021-22 and $1,543,900 in

2022-23); (b) producer-led watershed protection grants ($250,000 each year); (c) DNR nonpoint education and research contracts ($500,000 each year); and (d) $2.4 million in 2022-23 for nitrogen optimization projects and cover crop insurance rebates under 2021 Wisconsin Act 223. Based on debt service reestimates approved under previous Committee action, debt service costs are anticipated to be approximately $540,000 lower in 2023-24. Debt service costs are expected to increase again in 2024-25 by $2.4 million compared to 2022-23 amounts.

7. As seen in Table 3, AB 43/SB 70 would provide additional funding for nonpoint programs as follows: (a) $3,369,100 in 2023-24 and $3,765,100 in 2024-25 for county conservation staffing grants; (b) $1,000,000 each year in one-time funding for grants for flood mapping and flood insurance studies; (c) $250,000 each year for grants for producer-led watershed protection groups; (d) $2,400,000 each year for the nitrogen optimization pilot program and cover crop rebates; and (e) $500,000 each year for runoff management grants for noncapital projects. The bill would also provide additional nonpoint SEG-supported bonding authority, consisting of: (a) $17 million for rural nonpoint programs at DATCP and DNR, an increase from the $13.5 million authorized during the 2021-23 biennium; and (b) $11 million for urban nonpoint programs at DNR, an increase from the $4 million authorized during the 2021-23 biennium. AB 43/SB 70 does not propose significant changes to nonpoint-funded administration staff or funding outside of standard budget adjustments and minor transfers.

TABLE 3

Nonpoint Account-Supported Grants and Contracts under AB43/SB70

	Fund Source	Base/Prior Authorization	Bill 2023-24	Bill 2024-25	Change to Base 2023-24	Change to Base 2024-25
Agriculture, Trade and Consumer Protection						
County Conservation Staffing Grants	SEG	5,936,900	$9,306,000	$9,702,000	$3,369,100	$3,765,100
SWRM Grants - Nitrogen Optimization and Cover Crop	SEG	0	2,400,000	2,400,000	2,400,000	2,400,000
SWRM Grants - Producer-Led Groups	SEG	750,000	1,000,000	1,000,000	250,000	250,000
SWRM Grants - Noncapital Project Aids	SEG	3,675,000	3,775,000	3,775,000	100,000	100,000
Natural Resources						
Rural Nonpoint Grants (TRM/NOD)	SEG	100,000	500,000	500,000	$400,000	$400,000
Urban Nonpoint and Municipal Flood Control -- Flood Mapping and Flood Insurance Studies	SEG	500,000	1,500,000	1,500,000	1,000,000*	1,000,000*

*One-time funding in the 2023-25 biennium.

Account Condition

8. Table 4 shows the estimated nonpoint account condition under the adjusted base and Committee action on May 2, 2023, affecting standard budget adjustments and debt service. Under such a scenario, nonpoint account revenues are estimated to exceed expenditures by approximately $2.5 million in 2023-24 and -$231,000 in 2024-25. The nonpoint account would be expected to have an available balance of approximately $9.9 million on June 30, 2025, up from $7.7 million as of June 30, 2023.

9. As considered under other budget papers, the Committee may wish to continue one-time nonpoint funding or provide additional base funding for various grant programs. If the Committee wished to increase funding for nonpoint programs, it is not estimated that additional ongoing expenditures would maintain balance with available revenues in future biennia. The Committee could consider allocating a portion of the fund balance as one-time funding, but any ongoing funding allocations that exceed available annual revenues could limit future availability of funding for nonpoint program, or require providing for additional revenues to the account.

TABLE 4

Nonpoint Account Condition

	Actual 2021-22	Estimated 2022-23	Base Plus JFC 2023-24	Base Plus JFC 2024-25	2024-25 Staff
Opening Balance	$21,767,600	$20,720,500	$18,338,200	$20,820,300	
Revenue					
GPR Transfer	$7,991,100	$7,991,100	$7,991,100	$7,991,100	
Tipping Fee	14,441,500	18,158,100	18,158,100	18,339,600	
Env. Mgmt. Acct. Transfer	6,150,000	6,150,000	6,150,000	6,150,000	
Interest and Misc. Income	39,600	200,000	200,000	200,000	
Total Revenue	$28,622,200	$32,499,200	$32,499,200	$32,680,700	
Expenditures					
Debt Service	$13,669,800	$14,295,800	$13,756,300	$16,651,200	
Grants	10,664,100	15,155,800	10,961,900	10,961,900	
DNR Contracts	672,200	767,600	267,600	267,600	
DNR Administration	2,289,400	2,324,400	2,501,900	2,501,900	19.14
DATCP Administration	2,373,800	2,337,900	2,529,400	2,529,100	20.30
Total Expenditures	$29,669,300	$34,881,500	$30,017,100	$32,911,700	39.44
Cash Balance	$20,720,500	$18,338,200	$20,820,300	$20,589,300	
Encumbrances/Continuing	- $15,784,700	- $15,784,700	-$15,784,700	-$15,784,700	
Tipping Fees Receivable	5,111,800	5,111,800	5,111,800	5,111,800	
Available Balance	$10,047,600	$7,665,300	$10,147,400	$9,916,400	

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May 18, 2023 Joint Committee on Finance Paper #614

Urban Nonpoint and Municipal Flood Control Programs (Natural Resources -- Water Quality)

[LFB 2023-25 Budget Summary: Page 467, #14 and #15]

CURRENT LAW

The Department of Natural Resources (DNR) administers several grant programs to reduce urban nonpoint source water pollution and increase resiliency to flooding events in urban areas. The urban nonpoint source and storm water management (UNPS) grant program provides financial assistance for planning or practices undertaken by urban municipalities to assist in managing discharges of storm water into waters of the state. UNPS grants are provided in two categories: planning and construction. UNPS planning grants support engineering, feasibility studies, public information initiatives, and ordinance drafting and enforcement. UNPS construction grants support stream bank and shoreland stabilization or other structural best management practices for preventing urban runoff; funded practices may include costs of land acquisition, structural removal, and street sweeping equipment. The Department also operates the municipal flood control and riparian restoration (MFC) program, which provides grants to municipalities to conduct planning or mitigation for flood control purposes. MFC grants support practices including: (a) property acquisition and demolition; (b) floodproofing of structures; (c) riparian restoration; and (d) establishment of flood collection and detention structures. The MFC program operates on a two-year grant cycle.

During the 2021-23 biennium, DNR is provided $4,000,000 in bonding authority for the UNPS and MFC programs. Under current law, funding allocations are made to both programs jointly, and DNR exercises its discretion in allocating funding between the two programs. The Wisconsin Constitution generally requires bonds be used for permanent improvements such as construction projects or property acquisition. Thus, DNR allocates funding from the nonpoint account of the segregated (SEG) environmental fund to non structural practices such as planning, ordinance drafting, or feasibility studies. DNR is provided $500,000 each year in base funding

from nonpoint SEG for the UNPS and MFC programs. This funding typically supports UNPS planning grants and MFC activities that cannot be funded with bond revenues.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would provide $11,000,000 in nonpoint-SEG supported general obligation bonding for UNPS and MFC programs. DNR intends to allocate $7,500,000 for MFC grants. Typically, DNR determines allocation of urban nonpoint bonding authorizations between the two programs, and would retain that flexibility for the remaining $3,500,000 of the new authorization. Historically, an additional increment of bonding authority is authorized each biennium for UNPS and MFC programs, and DNR allocates the entire authorization each biennium. Under 2021 Wisconsin Act 58, the biennial budget act, DNR was provided an additional $4,000,000 in bonding for UNPS and MFC. Table 1 shows funding allocations for UNPS and MFC since 2011-13.

TABLE 1

UNPS and MFC Allocations

	Nonpoint SEG	Additional Bonding Authority
2009-11	$2,695,400	$6,000,000
2011-13	2,626,400	6,000,000
2013-15	2,626,400	5,000,000
2015-17	1,400,000	3,000,000
2017-19	1,050,000	3,700,000
2019-21	1,150,000	4,000,000
2021-23	1,000,000	4,000,000
2023-25*	3,000,000	11,000,000

*As introduced in AB 43/SB 70

2. DNR reports the $7,000,000 increase above the $4,000,000 provided in recent biennia would be intended to support additional demand for grants under MFC. Table 2 shows awards and demand for MFC grants since 2010. DNR notes that severe flooding events in 2018 prompted a surge in applications during the 2020 grant round. DNR reports that it received applications for acquisition or removal at 172 properties, while a typical grant cycle would usually total 20 to 30 properties. Although demand has eased since 2020, DNR reports that requests have continued to exceed available funding and the Department expects this trend to continue.

TABLE 2

Municipal Flood Control Grant Allocations

	Requests	Awards
2010	$5,586,318	$3,000,000
2012	4,460,405	3,000,000
2014	3,099,350	2,500,000
2016	2,061,439	1,500,000
2018	2,587,038	2,421,408
2020	10,558,937	2,655,000
2022	5,980,214	2,551,777

3. DNR notes that recipients often use Federal Emergency Management Agency (FEMA) funding awarded for mitigation efforts in disaster zones to meet match requirements. Under the federal disaster declaration made in 2018 in response to severe storms and flooding occurring from August 17, 2018, to September 14, 2018, in west central Wisconsin, including Crawford, Dane, Juneau, La Crosse, Marquette, Monroe, Richland, Sauk, and Vernon Counties, Wisconsin Emergency Management (WEM) received $68 million in requests for relief funding. Of this amount, WEM estimated approximately $20 million was associated with floodplain acquisition and removal projects. According to FEMA's declared disasters database, there have been 19 major disaster declarations in Wisconsin related to flooding since 1969. Five of these disasters have occurred since October, 2016.

4. The federal Infrastructure Investment and Jobs Act (IIJA) provides additional funding for flood mitigation through the Flood Mitigation Assistance (FMA) grant program administered by FEMA. FMA is a nationally competitive program and FEMA will provide grants directly to communities that participate in the National Flood Insurance Program for developing flood mitigation plans and implementing flood mitigation projects. Cost-sharing requirements for local match vary from zero to 25%. DNR expects MFC demand to increase in subsequent grant cycles as applicants may pursue MFC funding for assistance in matching federal funds. IIJA provides $3.5 billion in FMA grants over a five-year period for federal fiscal years 2022 through 2026.

5. Allocation of MFC funding is dependent on proposed project activities. Under administrative code Chapter NR 199, MFC project priority is ranked by activity in the following manner: (a) acquisition and removal of structures that cannot be rebuilt, or are in the 100-year flood plain; (b) acquisition and removal of repetitive loss structures or other flood-damaged structures; (c) flood proofing, including reinforcement of walls, anchoring, or placement of utilities above flood levels; (d) restoration activities, including removal of dams, and stream bank and habitat restoration; (e) acquisition of vacant land for flood water flowage easements; (f) construction of detention ponds; and (g) flood mapping.

6. Due to these prioritization criteria, the majority of MFC funding since 2002 has been provided for the highest priorities related to acquisition and removal ($15.2 million, equal to 58%), followed by riparian restoration ($4.7 million, 18%), floodproofing and elevation of structures ($3.3 million, 12%), and construction of detention ponds ($3.2 million, 12%). In instances where limited

funding is available, it is common for lower priority activities to receive little to no funding in a grant round. DNR suggests that provision of additional funding for MFC would allow it to fund a wider variety of activities, such as riparian restoration or construction of detention ponds.

7. In addition to proposed bonding authority for MFC, AB 43/SB 70 would provide an additional $1,000,000 nonpoint SEG each year of the biennium in one-time funding for MFC projects related to preparation of flood insurance studies and other flood mapping projects. The bill would direct additional funding to floodplain mapping regardless of existing prioritization under NR 199. DNR reports that since 2002, MFC has not provided funding for floodplain mapping or flood insurance studies. In 2020, DNR received one request for $33,000 for such activities, but did not award funding for it. DNR suggests that such projects likely do not apply for funding because activities are ranked last in prioritization for MFC funding.

8. DNR currently conducts floodplain mapping in collaboration with FEMA for the purpose of maintaining regulatory maps for federal flood insurance programs. FEMA provides DNR federal funding to cover costs of these activities, and directs prioritization of floodplain mapping efforts to areas with outdated maps and where flooding poses a high risk to human safety. Due to this prioritization of limited funding, FEMA-funded mapping efforts often focus in urban areas; thus, rural areas tend to have more outdated maps. However, communities may fund and conduct floodplain mapping outside of existing FEMA program funding, and submit revised maps to FEMA. DNR intends that additional proposed funding of $1,000,000 each year would support mapping efforts in these communities not served with current federal mapping efforts. DNR contends that improved floodplain maps would allow for residents to better assess need and rates for flood insurance, and improve community planning and development in flood-prone areas. DNR also reports that counties and municipalities statewide have expressed interest in alternatives for developing maps outside of FEMA grants and the Department anticipates that demand for this funding would be strong.

9. The Wisconsin Initiative on Climate Change Impacts (WICCI), a partnership between the UW-Madison Nelson Institute for Environmental Studies and DNR has compared historical records of precipitation and applied international consensus climate models to Wisconsin conditions to estimate future potential changes in Wisconsin climate. Figure 1 shows historical change in precipitation in Wisconsin by region since 1950. In southern and central Wisconsin, total annual precipitation has increased approximately 20% from 1950 to 2020. Further, Figure 2 shows the projected increase in severe rainfall events across Wisconsin, defined as those exceeding two inches in one day, by the 2041 to 2060 period, relative to the 1981 to 2010 period. While increasing precipitation overall may not necessarily be indicative of increased flooding events, increased occurrences of days with significant rainfall can demonstrate the potential for adverse flooding events that overwhelm existing capacity to absorb rainfall and mitigate flooding.

FIGURE 1

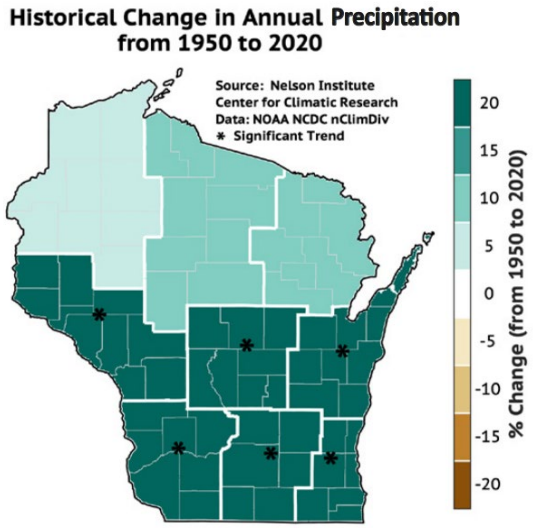
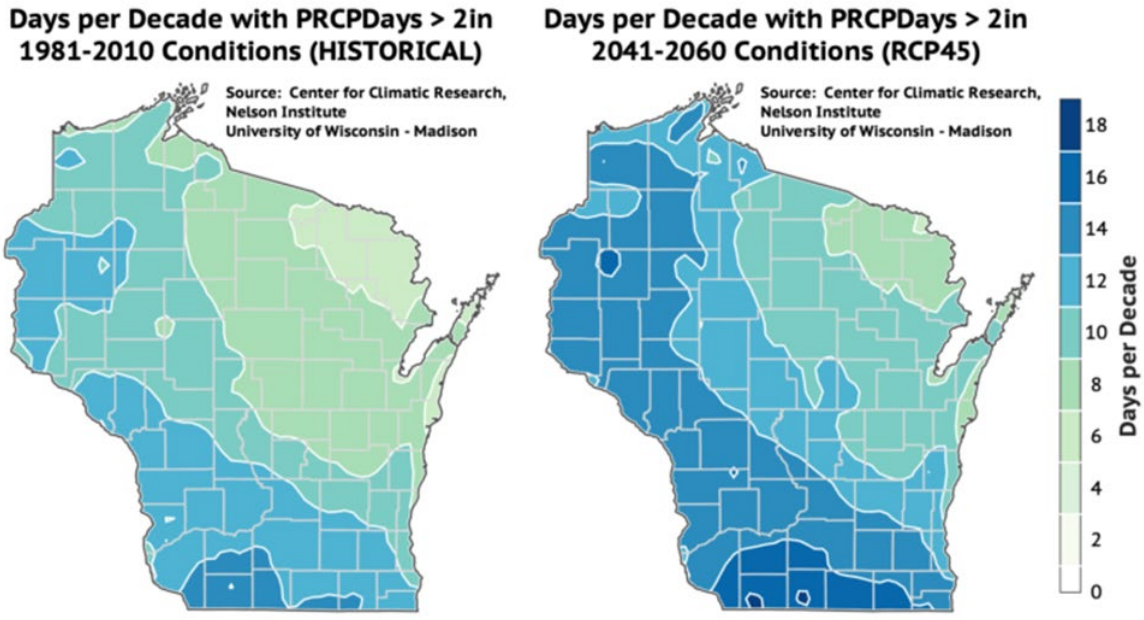


FIGURE 2



10. Provision of additional bonding authority for urban nonpoint prevention and flood control efforts would be presumed to increase resiliency of urban areas and limit property loss associated with severe rainfall events. Further, improved floodplain mapping may improve municipal planning, development, and mitigation efforts, and reduce overall property damage and resulting need for financial assistance in response to flooding events. Given the observed increases in annual rainfall in Wisconsin since 1950, and anticipated further increases in rainfall in coming decades, it could be considered appropriate to allocate additional funding for flood control and mapping efforts.

11. Provision of additional nonpoint SEG and nonpoint SEG-supported bonding authority for UNPS and MFC is dependent on availability of funding in the nonpoint account of the environmental fund. The nonpoint account is anticipated to have a June 30, 2025, available balance of $10.8 million, equal to an increase of approximately $2.9 million during the 2023-25 biennium. However, in 2024-25 expenditures are expected to nearly equal revenues. Thus, across all budget items related to nonpoint programs, the Committee could not provide additional nonpoint SEG in ongoing expenditures while still maintaining the balance with available revenues. The Committee could consider allocating a portion of the fund balance as one-time funding, although any ongoing funding allocations that exceed available annual revenues could limit future availability of funding for nonpoint programs.

12. Given the increasing demand and potential future increased need for flood control and planning activities, the Committee could consider providing an additional $11,000,000 in nonpoint SEG-supported bonding authority for UNPS and MFC during the 2023-25 biennium [Alternative A1], and an additional $1,000,000 nonpoint SEG each year on a one-time basis for floodplain mapping [Alternative B1]. The Committee could also consider providing an additional $6,000,000 in bonding authority [Alternative A2], or an additional $500,000 nonpoint SEG each year [Alternative B2]; each of these amounts could be considered as more commensurate with past funding shown in Table 1.

13. To conserve nonpoint SEG funding, the Committee could continue current bond-funded programs at the same level as 2021-23 and authorize an additional $4,000,000 in bonding for urban nonpoint programs [Alternative A3], and take no action related to additional nonpoint SEG funding to continue base funding of $500,000 each year [Alternative B4]. The Committee could also take no action related to additional bonding authority [Alternative A4]; although such an action would effectively suspend the MFC program and UNPS construction grants in the 2023-25 biennium as these rely primarily on bond funding.

14. If the Committee wished to improve availability of existing funding for floodplain mapping efforts, it could consider modifying the MFC program to require DNR to prioritize allocation of 20% of available nonpoint SEG funding for UNPS and MFC programs for use in floodplain mapping efforts [Alternative B3]. This set-aside would allow DNR to support floodplain mapping efforts with existing MFC funding, and make available $100,000 each year for floodplain mapping. However, availability of funding for existing nonpoint SEG-funded nonstructural practices under UNPS planning and MFC programs would be decreased.

ALTERNATIVES

A. Bonding Authority

1. Provide an additional $11,000,000 in nonpoint SEG-supported bonding authority for UNPS and MFC programs during the 2023-25 biennium.

ALT A1	Change to Base
BR	$11,000,000

2. Provide an additional $6,000,000 in nonpoint SEG-supported bonding authority for UNPS and MFC programs during the 2023-25 biennium.

ALT A2	Change to Base
BR	$6,000,000

3. Provide an additional $4,000,000 in nonpoint SEG-supported bonding authority for UNPS and MFC programs during the 2023-25 biennium.

ALT A3	Change to Base
BR	$4,000,000

4. Take no action.

B. Nonpoint SEG Funding

1. Provide an additional $1,000,000 nonpoint SEG each year of the 2023-25 biennium on a one-time basis for flood insurance studies and flood mapping.

ALT B1	Change to Base
SEG	$2,000,000

2. Provide an additional $500,000 nonpoint SEG each year of the 2023-25 biennium on a one-time basis for flood insurance studies and flood mapping.

ALT B2	Change to Base
SEG	$1,000,000

3. Require DNR to prioritize allocation of 20% of nonpoint SEG funding for UNPS and MFC programs for use in flood insurance studies and flood mapping.

4. Take no action.

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May 18, 2023 Joint Committee on Finance Paper #615

Rural Nonpoint Source Water Pollution Abatement (Natural Resources -- Water Quality)

[LFB 2023-25 Budget Summary: Page 468, #17 and 18]

CURRENT LAW

The Department of Natural Resources (DNR) administers several grant programs to reduce or prevent nonpoint source water pollution. The targeted runoff management (TRM) program provides financial assistance to projects addressing water quality concerns or impairments, primarily in rural or agricultural settings. TRM projects are funded mostly through general obligation bonding revenues (BR), with debt service supported by the nonpoint account of the segregated (SEG) environmental fund. Additional program funds also come from nonpoint SEG and federal (FED) funds under Section 319 of the Clean Water Act.

In 2021-23, $6,500,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants is provided to support the TRM program. Bonding amounts are used for the required 70% state cost-share for the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff. Bonding also support grants under a companion program to TRM, which makes grants to animal feeding operations that have received a notice of discharge (NOD) or notice of intent (NOI) to issue a notice of discharge for animal waste runoff that has entered state waters.

The Wisconsin Constitution requires bonds be used for permanent improvements that benefit the state's waters. Therefore, practices such as cover cropping, nutrient management planning, strip cropping, pesticide management, residue management, and lake sediment treatment cannot be supported by bonding. In each biennia since 2017-19, an additional $100,000 nonpoint SEG on an ongoing basis has been provided for TRM grants to support implementation of these types of "soft" practices.

DISCUSSION POINTS

Nonpoint SEG-Supported Bonding

1. State funding for DNR nonpoint source pollution abatement programs is provided mostly through general obligation bonding. In general, new bonding authority allows DNR to commit funding to new projects, which are completed over generally two- to three-year terms. TRM grants are issued in approximately equal amounts each year of a biennium. NOD/NOI grants are awarded from a reserve established for the calendar year, and DNR awards NOD/NOI grants in up to four grant cycles each year. 2021 Act 58 provided $6,500,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants.

2. Assembly Bill 43/Senate Bill 70 would provide $10 million in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. DNR reports that demand has been high for TRM grants and in the last two grant cycles, 53% of requests were awarded. Table 1 shows the total number of TRM grant applications submitted, total requested funding, and the percent of total requested funding awarded since 2010. DNR notes that the change in demand seen from 2016 to 2020 is likely attributed to a downturn in the agricultural economy and the beginning of the COVID-19 pandemic.

TABLE 1

Targeted Runoff Management Awards

Calendar Year	Grant Application Received	Total Requested Funding	Total Awarded Funding	Percent of Demand Met
2010	64	$6,448,868	$5,159,094	80%
2011	63	6,869,945	4,602,863	67
2012	46	8,365,250	5,019,150	60
2013	38	5,802,029	4,873,704	84
2014	41	5,972,704	3,583,622	60
2015	38	7,501,893	2,700,681	36
2016	28	4,217,727	2,994,586	71
2017	25	4,849,852	3,879,882	80
2018	26	3,836,985	3,836,985	100
2019	15	3,800,077	3,686,075	97
2020	7	2,697,610	2,697,610	100
2021	37	9,868,350	5,230,226	53
2022	29	7,337,329	3,888,784	53

3. Table 2 shows the total number of NOD grant applications submitted, total awarded funding, and the percent of demand met since 2010. In 2023, DNR has allocated $1 million of available bonding authority for NOD grants. DNR reports that the change in demand for NOD grants in 2020 and 2021 can be attributed to effects of the COVID-19 pandemic, similarly to TRM, as fewer

state and county staff were able to perform inspections to detect discharges of agricultural waste. DNR reports that in addition to potential increasing demand in the future, the increasing cost of construction has reduced the ability for NOD to cover as many projects.

TABLE 2

Notice of Discharge Grant Awards

Calendar Year	Grant Application Received	Total Awarded Funding	Percent of Demand Met
2010	8	$653,021	72%
2011	11	1,184,185	88
2012	10	1,315,050	68
2013	15	1,547,992	70
2014	15	2,055,812	48
2015	15	1,793,082	45
2016	10	1,065,524	91
2017	8	492,203	100
2018	9	2,637,770	60
2019	12	3,330,914	70
2020	3	1,527,857	100
2021	5	1,004,793	100

4. There is currently approximately $1.2 million in bond revenue available for TRM projects. The available funding is due to underspending in 2022 and DNR states that the amount will be used to fund 2023 NOD and 2024 TRM grant awards.

5. Given demand for bonding supporting NOD and TRM grants in recent biennia and recent inflationary trends impacting capital projects, the Committee could consider providing $10 million in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants [Alternative A1]. Alternatively, the Committee could consider providing $6,500,000 in bonding authority, consistent with what was provided in the 2021-23 biennium [Alternative A2]. The Committee could also consider providing $8.8 million or $5.3 million, each of which would reduce the preceding alternatives by the bonding amount currently available [Alternatives A3 or A4]. The Committee could also take no action and not provide additional bonding authority for rural nonpoint source projects in the 2023-25 biennium [Alternative A5].

Nonpoint SEG Grants

6. Best management practices such as cover cropping, nutrient management planning, and strip cropping cannot be supported by bonding. The Department primarily uses nonpoint SEG for nonpoint source TRM grants to encourage implementation of "soft" practices. Since the state must offer 70% cost sharing to require implementation of most agricultural conservation practices, SEG, GPR, or FED has been a necessary component of the TRM and NOD/NOI grant programs. Currently,

$100,000 nonpoint SEG each year is provided to offer cost-sharing required for implementation of nonstructural practices as part of TRM and NOD/NOI grants on an ongoing basis.

7. DNR reports that the current nonpoint SEG allocation of $100,000 annually is insufficient to support all TRM requests and grants have been oversubscribed for several years. Assembly Bill 43/Senate Bill 70 would provide $400,000 nonpoint SEG annually for nonstructural practices or staff costs associated with TRM grants.

8. DNR contends that additional pressure on demand for TRM grants has occurred due to the establishment of targeted agricultural performance standards for Silurian bedrock areas in 2018. The new standards contain requirements for applications of liquid or solid manure to cropland to mitigate potential pathogen leaking through the soil column and into groundwater. Establishing cover crops is a cost-share eligible activity under the TRM program that has been gaining popularity as a result of the new Silurian bedrock standards.

9. Under the Clean Water Act, DNR is required by the Environmental Protection Agency (EPA) to report biennially on all waters it has identified as impaired, meaning they do not meet water quality standards. DNR is required to develop a total maximum daily load (TMDL) report for all waters it identifies as impaired. TMDLs study pollution in a water body and set goals to limit pollution to a level that will allow the water body to meet water quality standards. DNR reports that additional funding would also be used to support implementation of large-scale TMDL plans. DNR reports that county staff have expressed the need for increasing funding for staff that support TMDL implementation.

10. Provision of additional nonpoint SEG for TRM grants is dependent on availability of funding in the nonpoint account. The nonpoint account is anticipated to have a June 30, 2025, available balance of $9.9 million, an increase of approximately $2.3 million in the 2023-25 biennium. However, expenditures and revenues are anticipated to be approximately equal under base funding in 2024-25. Thus, the Committee could not provide any ongoing funding for nonpoint programs in 2023-25 while maintaining a balance with available revenues. The Committee could consider allocating a portion of the fund as one-time funding, but any ongoing funding allocations that exceed available annual revenues could limit future availability of funding for nonpoint programs.

11. Given the potential benefits that TRM grants can have on water quality and reported oversubscription for grants in recent cycles, the Committee could consider providing an additional $400,000 in each year of the 2023-25 biennium for TRM grants [Alternative B1]. The Committee could also consider providing an additional $200,000 annually for TRM grants, due to concerns about nonpoint account revenues dropping below nonpoint expenditures in 2024-25 [Alternative B2]. To ensure future availability of funding for nonpoint programs, the Committee could consider providing funding on a one-time basis for TRM grants [Alternative B3].

12. The Committee could also choose to take no action. If the Committee chooses to take no action on nonpoint SEG funding for nonpoint source grants, it is unclear to what extent DNR would be able to meet minimum state cost-share requirements with other sources, such as federal Section 319 funding. Insufficient funding may limit corrective actions and the installation of certain practices necessary to abate nonpoint source water pollution [Alternative B4].

ALTERNATIVES

A. Nonpoint-SEG Supported Bonding

1. Provide $10,000,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. Bond proceeds support the targeted runoff management (TRM) program and provide the required 70% state cost-share for the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff.

ALT A1	Change to Base
BR	$10,000,000

2. Provide $6,500,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants.

ALT A2	Change to Base
BR	$6,500,000

3. Provide $8,800,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants.

ALT A3	Change to Base
BR	$8,800,000

4. Provide $5,300,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants.

ALT A4	Change to Base
BR	$5,300,000

5. Take no action.

B. Nonpoint-SEG Grants

1. Provide an additional $400,000 nonpoint-SEG on an ongoing basis for nonpoint source grants. Total funding for nonpoint source grants to support nonstructural practices required of TRM projects would be $500,000 annually.

ALT B1	Change to Base
SEG	$800,000

2. Provide an additional $200,000 nonpoint-SEG on an ongoing basis for nonpoint source grants. Total funding for nonpoint source grants to support nonstructural practices required of TRM projects would be $300,000 annually.

ALT B2	Change to Base
SEG	$400,000

3. Specify that additional funding is provided on a one-time basis in the 2023-25 biennium. (This alternative could be selected in addition to Alternatives B1 or B2.)

4. Take no action.

Prepared by: Margo Poelstra

NATURAL RESOURCES

Water Quality

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
10	Water Resources Account Lapse
12	Sheboygan Marsh Dam
21	Permit Primer Update
22	Office of Agricultural and Water Quality Transfers
23	Aquatic Plant Management Appropriation