

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$12,974,000	\$212,338,800	\$12,304,600	- \$200,034,200	- 94.2%	- \$669,400	- 5.2%
SEG	<u>14,000,000</u>	<u>10,500,000</u>	<u>10,500,000</u>	<u>0</u>	0.0	<u>- 3,500,000</u>	- 25.0
TOTAL	\$26,974,000	\$222,838,800	\$22,804,600	- \$200,034,200	- 89.8%	- \$4,169,400	- 15.5%
BR		\$372,000,000	\$46,000,000				

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

Budget Change Items

- LEAD SERVICE LINE REPLACEMENT FUNDING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$200,000,000	- \$200,000,000	\$0

- REVENUE OBLIGATION BONDING AUTHORITY** [LFB Paper 345]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$372,000,000	- \$326,000,000	\$46,000,000

Governor: Increase revenue obligation bonding authority by \$372,000,000 for the clean

water fund and safe drinking water loan program within the 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 IJA. Debt service payments are made from loan repayments.

Under current law, the program is authorized to issue up to \$2,551,400,000 in revenue obligation bonds. The bill would increase that amount to \$2,923,400,000. In the EIF biennial finance plan published in late 2022, the Departments of Administration (DOA) and Natural Resources (DNR) indicated this level of bonding would be required to support capitalization grant matches and other financial assistance estimated through the 2025-27 state fiscal biennium.

Joint Finance: Increase the revenue bonding authorization for the EIF by \$46,000,000, from \$2,551,400,000 to \$2,597,400,000.

3. LAND RECYCLING LOAN PROGRAM -- ENVIRONMENTAL FUND REPAYMENTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$635,200	- \$34,200	- \$669,400
SEG	<u>- 3,500,000</u>	<u>0</u>	<u>- 3,500,000</u>
Total	- \$4,135,200	- \$34,200	- \$4,169,400

Governor: Reestimate GPR general obligation debt service by -\$977,700 in 2023-24 and \$342,500 in 2024-25. This includes adjustments of: (a) -\$602,200 in 2023-24 and \$695,200 in 2024-25 for the clean water fund; and (b) -\$375,500 in 2023-24 and -\$352,700 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 would be \$6,000,000 in 2023-24 and \$4,500,000 beginning in 2024-25.

Joint Finance: Reestimate GPR general obligation debt service by an additional -\$29,600 in 2023-24 and -\$4,600 in 2024-25. This includes adjustments of -\$19,000 in 2023-24 and -\$2,400 in 2024-25 for clean water fund debt service and -\$10,600 in 2023-24 and -\$2,200 in 2024-25 for safe drinking water loan program debt service. Retain the deletion of \$1,000,000 EIF SEG in 2023-

24 and \$2,500,000 EIF SEG in 2024-25 for clean water fund debt service. The following table shows EIF debt service under Joint Finance.

Environmental Improvement Fund Debt Service

	<u>Base</u>	<u>Change to Base</u>	<u>2023-24</u>		<u>2024-25</u>		
			<u>Change to Bill</u>	<u>Total</u>	<u>Change to Base</u>	<u>Change to Bill</u>	<u>Total</u>
Clean Water Fund							
GPR	\$2,756,600	-\$621,200	-\$19,000	\$2,135,400	\$692,800	-\$2,400	\$3,449,400
SEG	<u>7,000,000</u>	<u>-1,000,000</u>	<u>0</u>	<u>6,000,000</u>	<u>-2,500,000</u>	<u>0</u>	<u>4,500,000</u>
Subtotal	\$9,756,600	-\$1,621,200	-\$19,000	\$8,135,400	-\$1,807,200	-\$2,400	\$7,949,400
Safe Drinking Water Loan Program							
GPR	\$3,730,400	-\$386,100	-\$10,600	\$3,344,300	-\$354,900	-\$2,200	\$3,375,500
Total	\$13,487,000	-\$2,007,300	-\$29,600	\$11,479,700	-\$2,162,100	-\$4,600	\$11,324,900