



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

June 25, 2019

TO: Representative Katrina Shankland  
Room 304 West, State Capitol

FROM: Paul Ferguson, Program Supervisor

SUBJECT: Water Quality Funding under Assembly Substitute Amendment 1 to 2019 Assembly Bill 56

At your request, this memorandum provides information on changes to funding for various water quality programs under 2019 Assembly Bill 56 / Senate Bill 59, the 2019-21 biennial budget, through action by the Joint Committee on Finance.

The Attachment summarizes annual budget change items for water quality-related programs, including those in the Department of Natural Resources (DNR), the Department of Agriculture, Trade and Consumer Protection (DATCP) and Department of Safety and Professional Services (DSPS). [The page and item number in the LFB Comparative Summary of Budget Recommendations are noted for each item.] The Attachment separates appropriations from bonding authorizations. It does not include standard budget adjustments or other minor transfers or changes that may affect water-quality related staffing or programs.

As shown in the Attachment, the Governor recommended additional annual funding of \$7.4 million above the base for grants and operations in water quality-related programs. Action by the Joint Committee on Finance would provide additional funding of \$3.2 million relative to the base funding level, a difference of -\$4.2 million.

Several points should be noted with regard to the funding differences. First, 4.0 positions added by Joint Finance action for regulation of concentrated animal feeding operations (CAFOs) were offset by deletions of 4.0 segregated (SEG) environmental fund positions in other programmatic areas. These deletions result in no net change to the DNR base position authorization for that provision.

Second, the funds shown as recommended by the Governor for well compensation grants, while intended to be inserted into the bill by the administration, were not included. Joint Finance action placed \$400,000 environmental management account (environmental fund) SEG annually in

the Committee supplemental appropriation, which DNR may request later under s. 13.10 of the statutes.

Finally, although the Governor recommended no additional funding for the private onsite wastewater treatment system (POWTS) grant program, the bill as introduced would have repealed the June 30, 2021, sunset of the program, which would have extended grant funding indefinitely. Joint Finance action retains the sunset, but provides additional funding of \$185,000 in 2019-20 for purposes of fully funding eligible grant applicants.

Bond-funded environmental quality programs are shown separately in the Attachment, as authorized bonding authority is generally available for use until exhausted, unlike most other appropriations shown. The Legislature will typically increase bonding authority for certain programs as new funding is needed. In the case of several environmental quality grant programs, agencies allocate all available bonding authority each biennium, and new authority is customarily provided in each biennial budget. The Attachment shows bonding authority additions made for the 2017-19 biennium as a representation of a typical funding increase provided biennially for those programs that receive regular increases.

Two bond-funded programs are shown without current bonding authority. One program, for assistance to municipal wastewater dischargers for implementation of total maximum daily load plans, was recommended for creation by the Governor. Another category shows all environmental improvement fund (EIF) bonding, which has a total of \$3.2 billion in general obligation and revenue obligation authority under current law. In 2017-19, environmental improvement fund bonding authority was decreased by \$34.66 million to reflect authority that was not anticipated to be needed in future biennia. The Governor recommended authorizing \$40 million for forgivable loans for replacement of customer-side lead service lines under the EIF safe drinking water loan program. The \$40 million EIF bonding reduction under Joint Finance action, relative to the Governor's recommendations, are attributable to the deletion of the lead service line funding.

PF/lb  
Attachment

**ATTACHMENT**

**Comparison of Water Quality Provisions, 2019-21 Budget -- Governor and Joint Finance**

Grants and Operations	Page/Item	Base Funding (Annual)	Governor Chg. to Base	Joint Finance			Positions		
				Chg. to Base	Chg. to Gov		Change to Base Governor	Jt. Finance	Jt. Finance Chg. to Gov
<b>Natural Resources</b>									
DNR Scientist Positions	Page 370, #2	--- <sup>A</sup>	\$410,500 <sup>B</sup>	\$164,200 <sup>B</sup>	-\$246,300	SEG	5.00	2.00	-3.00
Lake and River Grants	Page 383, #3	\$2,542,100	1,534,500	0	- 1,534,500	SEG	1.00	0.00	-1.00
Total Maximum Daily Load									
Implementation Positions	Page 384, #5	---	---	---	---	All Funds	4.00	4.00	0.00
CAFO Regulatory Positions	Page 385, #6	--- <sup>C</sup>	425,000	395,000	- 30,000	SEG/PR	5.00	4.00	-1.00
CAFO Positions Offset	Page 385, #6	---	---	-294,600	-294,600	SEG	---	-4.00	-4.00
Nonpoint Source Grants	Page 388, #11	0	400,000	100,000	- 300,000	SEG	---	---	---
Nonpoint Contracts	Page 388, #12	267,600	730,000	500,000	- 230,000	SEG	---	---	---
Well Compensation Grants	Page 389, #13	200,000	800,000 <sup>D</sup>	400,000	- 400,000	SEG	---	---	---
PFAS Model and Study	Page 390, #14	0	<u>200,000</u>	<u>200,000</u>	<u>0</u>	All Funds	---	---	---
DNR Subtotal			<u>\$4,500,000</u>	<u>\$1,464,600</u>	<u>-\$3,035,400</u>		<u>15.00</u>	<u>6.00</u>	<u>-9.00</u>
<b>Safety and Professional Services</b>									
POWTS Grants	Page 473, #5	---	\$0 <sup>E</sup>	\$185,000	\$185,000	PR	---	---	---
<b>Agriculture, Trade and Consumer Protection</b>									
Soil and Water Resource Mgmt. and Producer-Led Grants	Page 43, #3	\$3,325,000	\$1,500,000	\$1,100,000	-\$400,000	SEG	---	---	---
County Staffing Grants	Page 45, #5	3,027,200	476,000	0	- 476,000	GPR	---	---	---
County Staffing Grants	Page 45, #5	5,936,900	<u>924,000</u>	<u>475,000</u>	<u>-449,000</u>	SEG	---	---	---
DATCP Subtotal			<u>\$2,900,000</u>	<u>\$1,575,000</u>	<u>-\$1,325,000</u>				
<b>Grants and Operations Total</b>			<b>\$7,400,400</b>	<b>\$3,224,600</b>	<b>-\$4,175,400</b>				
<b>Bond-Funded Programs</b>									
			<u>Current Authority</u>	<u>2017-19 Additions</u>	<u>Governor</u>	<u>Jt. Finance</u>	<u>Joint Finance 2017-19</u>	<u>Change to Governor</u>	
SWRM Bonding	Page 44, #4	\$68,075,000	\$7,000,000	\$10,000,000	\$7,000,000	\$0	-\$3,000,000	BR	
Dam Safety	Page 382, #2	32,100,000	4,000,000	4,000,000	4,000,000	0	0	BR	
TMDL Bonding	Page 383, #4	N/A	N/A	4,000,000	0	0	- 4,000,000	BR	
Rural Nonpoint	Page 387, #9	44,050,000	6,150,000	6,500,000	6,500,000	350,000	0	BR	
Urban Nonpoint	Page 387, #10	53,600,000	3,000,000	4,000,000	4,000,000	1,000,000	0	BR	
Contaminated Sediment	Page 382, #1	32,000,000	0	25,000,000	4,000,000	4,000,000	- 21,000,000	BR	
Environmental Improvement Fund	Page 169, #1	N/A	N/A	<u>57,050,000</u>	<u>17,050,000</u>	<u>0</u>	<u>- 40,000,000</u>	BR	
Bond Total				<u>\$110,550,000</u>	<u>\$42,550,000</u>	<u>\$5,350,000</u>	<u>-\$68,000,000</u>		

<sup>A</sup> DNR positions in the Office of Applied Science are budgeted at approximately \$1.5 million each year.

<sup>B</sup> Amounts shown are base additions in the 2020-21 fiscal year only. Lower amounts are budgeted for 2019-20 to account for new positions being filled for part of 2019-20.

<sup>C</sup> DNR currently allocates 22.0 positions to CAFO regulatory activities, which are budgeted at approximately \$2.2 million in salary and fringe benefit costs each year from all funds.

<sup>D</sup> Well compensation grant program increases were recommended in an errata item but not included in the bill as introduced.

<sup>E</sup> The Governor's recommendations would have removed a June 30, 2021, sunset of the grant program.