

Environmental Loans Policy Paper

Regarding 2021 Wisconsin Act 112

Procedural Changes for CWFP and SDWLP Applications

March 14, 2022

Background

The Department of Natural Resources and the Department of Administration jointly and collaboratively manage the State's Environmental Improvement Fund, which includes the Clean Water Fund Program (CWFP) and Safe Drinking Water Loan Program (SDWLP). These programs provide financial assistance to municipalities for the construction of water infrastructure projects. On December 3, 2021, Governor Evers signed 2021 Wisconsin Act 112 which includes 2021 Senate Bill 489 – Procedural Changes for CWFP and SDWLP Applications.

Act 112 makes changes to s. 281.58 and 281.61, Wis. Stats., related to the process for applying for financial assistance under the CWFP and the SDWLP. Specific changes include the following:

1. Elimination of the requirement to submit a notice of Intent to Apply before applying for both programs.
2. Removal of language for both programs that restricted a municipality's ability to submit more than one application per year for the same project.
3. Correction of a procedural inaccuracy in the timing of engineering report submittals relative to SDWLP application submittals.
4. Removal of the statutory application deadline for the SDWLP.
5. Removal of the statutory loan closing deadline for the SDWLP.

This policy paper describes the changes that DNR and DOA are implementing as a result of Act 112.

1. Elimination of the requirement to submit a notice of Intent to Apply before applying for both programs.

No changes are being made to the Intent to Apply (ITA) process for the CWFP or SDWLP at this time. The current ITA submittal process is detailed on the [DNR's ITA and PERF webpage](#) and is codified in ss. [NR 162.05](#) and [NR 166.08](#), Wis. Adm. Code. With advance notice, The DNR and DOA may consider changes to the ITA submittal timeframe as part of a future streamlining and process improvement effort.

2. Removal of language for both programs that restricted a municipality's ability to submit more than one application per year for the same project.

Prior to the passage of Act 112, municipalities were restricted from submitting more than one application for any single project in any 12-month period. This language limited the timing of application re-submittal for applicants that needed to modify their project or application schedule after submitting an initial application. A municipality that submits an application within any given fiscal year will now be able to resubmit the application within the same fiscal year, or in the following fiscal year without having to wait for a 12-month period to elapse.

3. Correction of a procedural inaccuracy in the timing of engineering report submittals relative to SDWLP application submittals.

This change clarifies the engineering report submittal process and eliminates the problem of having two different sets of engineering report submittal requirements in DNR depending on whether a municipality is seeking SDWLP funding or obtaining funding elsewhere. Procedurally, there is no change. Engineering reports must be submitted prior to or concurrent with a SDWLP application if the report is required by the DNR Drinking Water and Groundwater Program under chs. NR [108](#) or [811](#), Wis. Adm. Code.

4. Removal of the statutory application deadline for the SDWLP.

No changes are being made at this time to the current June 30th SDWLP application deadline. State Fiscal Year (SFY) 2023 SDWLP applications must be submitted by June 30, 2022 in order to compete for PF (applications received after June 30, 2022 will be considered for supplemental funding). The changes made in Act 112 to s. 281.61(5)(a), Wis. Stats., require the DNR to set an application deadline annually. The SFY 23 Intended Use Plan will officially set the SFY 23 SDWLP application deadline (anticipated to be June 30, 2023). With advanced notice, The DNR and DOA may consider changes to the application deadline as part of a future streamlining and process improvement effort.

5. Removal of the statutory loan closing deadline for the SDWLP.

Act 112 repealed s. 281.61(10), Wis. Stats., which set the loan closing deadline of June 30th of the year following the year in which funding was allocated. The DNR and DOA are hereby establishing September 30, 2022 as the SDWLP loan closing deadline for SFY 22 SDWLP projects (excluding Private LSL Replacement projects for which the deadlines are described in the [LSL Amendment to SFY 22 SDWLP Final IUP](#)). This three-month extension of the loan closing deadline is intended to ease the loan closing bottleneck typically experienced in the spring prior to the current June 30th loan closing deadline. The SFY 23 Intended Use Plan will officially set the SFY 23 SDWLP loan closing deadline. The DNR and DOA may consider another change to the loan closing deadline in the future as part of an overall streamlining and process improvement effort, although we do not intend to make annual changes to the deadline.

Public Participation Process

This draft policy paper was published for a 21-day public comment period on January 10, 2022. An e-mail notification was sent to a distribution list of approximately 2,400 recipients. Written comments from three stakeholders were received prior to the end of the public comment period on Friday, January 31, 2022. No changes were made to the final version of this policy paper. Responses to the comments received are available at: <https://dnr.wisconsin.gov/aid/documents/EIF/Statutes/elcodes.html>.