

State Fiscal Year 2011 Update #9

Monday, May 2, 2011

PLEASE READ ENTIRE UPDATE. It contains important information for Clean Water Fund Program (CWFP) applicants.

IMPORTANT: CWFP STATE FISCAL YEAR (SFY) 2011 APPLICATION SUBMITTAL DEADLINE: JUNE 30, 2011. To assure application acceptance for SFY 2011 funds, DNR must receive two copies of your complete application by JUNE 15, 2011. (SFY 2011 projects are those for which Intent To Apply forms (ITAs) were submitted by December 31, 2009. See important additional information regarding SFY 2011 CWFP projects on page 2 of this Update.)

CWFP SFY 2012 HARDSHIP FINANCIAL ASSISTANCE APPLICATION DEADLINE: JUNE 30, 2011.

SDWLP SFY 2012 FINANCIAL ASSISTANCE APPLICATION DEADLINE: JUNE 30, 2011.

Consideration for Waiving Intent to Apply Submittal Deadline Requirement For Clean Water Fund Program Loans in State Fiscal Year 2011

The guidance below is aimed at municipalities that did not submit an ITA by December 31, 2009, but wish to submit a Clean Water Fund application for State Fiscal Year (SFY) 2011 funds to secure an interest rate at the current subsidy level. The 2011 – 2013 biennial budget proposal decreases the amount of subsidy the Clean Water Fund Program can provide to municipalities.

Both Section 281.58(8m), Wis. Stats., and s. NR 162.05, Wis. Adm. Code, require a municipality to submit a completed *Intent to Apply* form (ITA) to the Department six months prior to the beginning of the state fiscal year in which the municipality will request financial assistance from the Clean Water Fund Program. However, s. 281.58(8m)(c), Wis. Stats., allows the department to waive this requirement upon written request of a municipality, as does s. NR 162.05(2), Wis. Adm. Code.

The DNR Environmental Loans Section will consider waiving s. 281.58(8m), Wis. Stats., and s. NR 162.05(1), Wis. Adm. Code upon written request from a municipality when a municipality meets the following conditions:

- The municipality requests, in writing, a waiver from s. 281.58(8m), Wis. Stats., and s. NR 162.05, Wis. Adm. Code.
- The municipality has already obtained facility plan approval from the Department at the time of the request.
- The municipality submits their application no later than June 15, 2011.



- The municipality agrees to close the loan within 8 months of the date of notification that the application has been accepted by the Department, as required by s. NR 162.06(4), Wis. Adm. Code.

In addition, the Department will consider the following protocols in issuing a waiver to s. 281.58(8m), Wis. Stats. and s. NR 162.05(1), Wis. Adm. Code:

- Department staff will first process all applications for which a valid ITA was submitted by the 12/31/2009 deadline.
- The issuance of a variance **will not affect** the already-published list of SFY 2011 projects for which principal forgiveness has been awarded.
- The Department will only be able to consider a variance so long as there is sufficient present-value subsidy available in the current budget.

Section NR 162.20(1), Wis. Adm. Code, allows the Department to waive the requirements of s. NR 162.05(1) by considering special circumstances and factors consistent with those established for granting a variance under s. NR162.20(1), including when it “is essential to effect necessary financial assistance actions or department objectives where special circumstances make a variance in the best interest of the state. Before granting a variance, the DNR shall take into account factors such as good cause, circumstances beyond the control of the recipient, and financial hardship.”

The Department has determined that a change in subsidy level is considered to be a special circumstance beyond the control of the recipient that could also cause financial hardship. For this and other reasons, the Department will consider a waiver to s. 281.58(8m), Wis. Stats.

Please note that the Federal 2011 budget appropriation includes principal forgiveness awards for projects that meet the state criteria. In Wisconsin, the criteria are based on ability to pay and environmental need. A listing of ranked projects and the likely percentage of principal forgiveness for which they are eligible is posted at <http://dnr.wi.gov/org/caer/cfa/EL/Section/news.html#recent>.

If a municipality requests the ITA waiver for SFY 2011 applications and closes a loan with SFY 2011 funds, the Department will not consider the project for principal forgiveness for SFY 2012. In order to be eligible for principal forgiveness in SFY 2012, a municipality must have submitted an ITA by December 31, 2010, and must submit a complete application for SFY 2012 funding by a date to be established by the Department.

For additional information, please contact Becky Scott at 608-267-7584 or rebecca.scott@wisconsin.gov.

If you have questions regarding SFY 2011 funding, please contact Jeanne Cargill at 608-267-7587 or jeanne.cargill@wisconsin.gov, or Becky Scott at 608-267-7584 or rebecca.scott@wisconsin.gov.

