

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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| <p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected</p> | <p>2. Date March 1, 2022</p> |
| <p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Chapter NR 162 - Clean Water Fund Program</p> | |
| <p>4. Subject Rules governing the implementation of the Clean Water Fund Program, which provides financial assistance to municipalities for wastewater and storm water infrastructure projects</p> | |
| <p>5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S</p> | <p>6. Chapter 20, Stats. Appropriations Affected n/a</p> |
| <p>7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget</p> | |
| <p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units <input checked="" type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p> | |
| <p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0 - Any increase in application costs would be eligible for coverage by the program loans.</p> | |
| <p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> | |
| <p>11. Policy Problem Addressed by the Rule Proposed rule changes will streamline processes for awarding financial assistance to municipalities under the Clean Water Fund Program. These include more clearly defining eligible and ineligible projects, codifying application submissions through the department's online system, modifying loan terms in accordance with statutory changes, clarifying required documentation, adjusting the manner in which financial assistance agreements are processed, and other changes to provide consistency with federal program requirements and recent statutory changes.</p> | |
| <p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The following consulting engineers and municipalities served on an External Advisory Team for NR 162 code revisions: Strand Associates, Inc.; Town & Country Engineering, Inc.; MSA Professional Services; Racine Water & Wastewater Utilities; the City of Brookfield; the City of Horicon; and the Village of Valders.</p> | |
| <p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. None up until now. Local governments were part of the department's external advisory committee.</p> | |
| <p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The rule will have minimal effects on businesses or municipalities. Participation in the Clean Water Fund Program is voluntary and general eligibility criteria are already prescribed by the federal Clean Water Act. The costs of obtaining funding are prescribed by state statutes. The proposed rule revisions will simplify and clarify protocols and administrative processes but do not affect the overall ability of municipalities to seek and obtain financing or the interest rates of that financing. Any added costs to consulting businesses assisting with applications can be passed on to the municipality and in turn can be covered by the program loans.</p> | |
| <p>15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule By clarifying criteria and streamlining processes for the program, there will be fewer applicant questions, and process</p> | |

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times may be shortened for both applicants (i.e., municipalities and their consultants) and DNR staff. Without the rule revisions, the department will need to interpret clumsy or outdated language to ensure compliance with federal regulations and guidelines and recently amended state statutes.

16. Long Range Implications of Implementing the Rule

The rule revisions will allow the department to remain in compliance with federal program requirements, be consistent with Wisconsin statutes, and more efficiently administer the Clean Water Fund Program.

17. Compare With Approaches Being Used by Federal Government

All states must comply with the federal Clean Water Act (33 U.S. Code, Subchapter VI), of which the Clean Water State Revolving Fund is a part. Wisconsin's implementation approach to the Clean Water State Revolving Fund through the Clean Water Fund Program has remained relatively basic since its inception.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

All states must comply with the federal Clean Water Act (33 U.S. Code, Subchapter VI; sections 33 USC 1381 to 1388). Neighboring states implement the Clean Water State Revolving Fund with minor differences, adjusted to meet state-specific needs. Several of these states have more sophisticated programs than Wisconsin; Wisconsin's implementation approach has remained relatively basic.

19. Contact Name

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20. Contact Phone Number

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

This rule will have no fiscal or economic effect on small businesses. The proposed changes do not modify the federal requirement that recipients of Clean Water Fund Program funds must be in compliance with DBE requirements.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

n/a

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

n/a

5. Describe the Rule's Enforcement Provisions

There are no enforcement provisions with respect to environmental regulations associated with this rule. Small businesses are not regulated by the rule. The rule already includes provisions that require municipal recipients of Clean Water Fund Program loans to have DNR-approved plans and specifications and to have the financial means to repay the loans.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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