



The
Hamilton Consulting Group
Legislative, Regulatory & Information Services

Department of Natural Resources Budget Requests

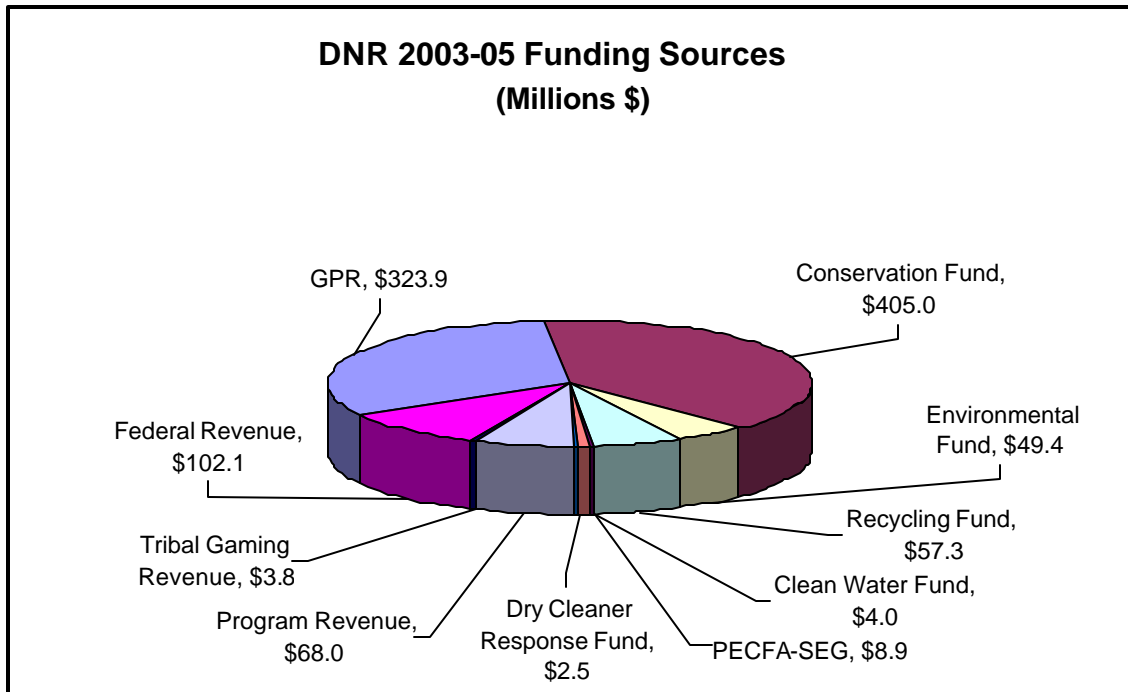
Robert Fassbender, The Hamilton Consulting Group

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The [Department of Natural Resources](#) (DNR) implements Wisconsin's environmental quality laws as well as delegated federal programs such as the Clean Air Act and the Clean Water Act. DNR also administers the state's conservation and recreation programs, including programs relating to the state's parks, hunting and fishing, wildlife protection, and forestry. This overview focuses on DNR's environmental quality programs, primarily those programs administered by the Division of Air & Waste and the Division of Water.

DNR submitted its 350 plus-page 2003-05 Biennial Budget request to the Department of Administration on Sept. 30, 2002. The Department asked for \$1.02 billion, or a 4.4 percent increase from the doubled adjusted FY 2003 base year (July 1, 2002 – June 30, 2003). The majority of DNR's requested funding comes from General Purpose Revenue (GPR) and the Conservation Fund, which includes revenue from license and registration fees, the forestry mill tax and the motor fuel tax. Other funding sources include federal funds, program revenue, the recycling fund, and the environmental fund. (See chart, below)



Baseline versus Zero-based Funding

DNR's FY 2003 adjusted base is \$490.8 million, and 2,975 positions. Any analysis of an agency's budget request generally plays off that number, starting with two times base, or for DNR, \$981.7 million for the biennium. For example, for this budget the Governor instructed the agencies to hold GPR requests at net zero percent over this base for each year of the next biennium. DNR's GPR request generally hit that target. Their increases primarily came through additional federal, program and segregated revenue.

An added dimension for DNR's budget comes from the provisions in the 2002 budget repair bill that directs one-third of the state agencies to do zero-based budgeting this budget cycle. DNR is included in this go-around for zero-based budgeting. (See Pat Osborne's [2003-05 Budget Process Overview](#) for additional background on zero-based budgeting.)

Division of Air & Waste

Of the seven DNR divisions, those of most interest to industry are Division of Air & Waste and the Division of Water. The Air & Waste Division has three bureaus; Air Management, Waste Management, and Remediation and Redevelopment. The table below lists the Air & Waste Division's 2003 base funding and staffing positions.

Division of Air & Waste		
	Funding	Positions
Air Management	\$15,429,400	167.25
Waste Management	7,634,900	105.00
Remediation and Redevelopment	\$12,532,900	110.00
Air & Waste Program Management	\$823,400	7.00
Totals	\$36,420,600	389.25

The Air Bureau is of particular interest given their aggressive initiatives, such as its rewrite of the state's air toxics program and rule proposal to regulate mercury emissions. One curious request is to shift \$944,000 from Air Bureau Program Revenue (PR) to support administrative services at DNR. The explanation is that the 2001-03 biennial budget eliminated all PR funding from air emission fees that had previously supported administrative services in the Department, and that as a result, the Air Management Program is not paying its fair share for functions such as rent, fleet, attorney services, and personnel services. It's not clear how the Air Bureau would backfill that hole.

Division of Water

The Division of Water includes the Watershed Management Bureau that administers nonpoint and point water quality, dam safety, flood plain, and shoreland programs. Other significant programs are found in the Drinking Water and Groundwater Bureau, which administers programs relating to drinking water standards and groundwater management. The table below lists the Division's 2003 base funding and staffing positions:

Division of Water		
	Funding	Positions
Watershed Management	\$17,997,200	223.93
Fisheries Management and Habitat Protection	\$25,396,200	320.36
Drinking Water and Groundwater	\$9,972,500	108.75
Water Integration Team	\$315,900	2.00
Water Program Management	\$3,830,000	45.00
Totals	\$57,511,800	700.04

Fee Hikes Minimal; More Bonding

In recent years, the Department has increasingly relied on funding from fees. For example, the last biennial budget (1999 Wis. Act 9) created a recycling tipping fee and made permanent a temporary recycling surcharge on business receipts, and raised vehicle environmental impact and hazardous waste generator fees. Further increases in the tipping fee and vehicle environmental impact fees were included in the budget repair bill, 2001 Wis. Act 16. In the past few budgets DNR also has requested substantial increases to air emission fees, although they were eventually dropped from the bills.

The only fee increase identified in DNR's current budget request relates to the asbestos inspection fee that increases existing and creates new fees that amount to \$285,000 more per year. DNR has requested, however, increased bonding to fund dam safety, environmental repair and nonpoint programs.

DNR Requests More Enforcement Power

While fiscal realities limited DNR's ability to expand environmental programs, it did not impede efforts to expand certain enforcement authorities. DNR is requesting hikes in penalties for violations of Chapter 30 (from \$10,000/violation to \$10,000/day) and noxious water pollution (from \$500 to \$5,000 for intentional violations), and requesting new enforcement authorities for stormwater inspections and false statements or documents.

Brownfields Statutory Changes

DNR also proposes numerous changes to the state's brownfields programs, including programs relating to tax delinquent properties, as well as local government and voluntary party protections. One provision that may be controversial relates to expanding cost recovery actions relating to landfill orphan shares.

SELECTED BUDGET INITIATIVES

Environmental Fees

Asbestos Inspection Fees

As noted, DNR requests an increase of \$180,000 for Program Revenue in FY 2005 for the inspection of asbestos removal in schools, industrial, and commercial facilities. DNR would increase the asbestos permit exemption review fee and the inspection fee by \$50-65, and create a new fee for large projects. The annual fee increases would eventually bring in \$285,000 more each year.

Environmental Repair & Brownfields

Environmental Repair Bonding

DNR requests \$6 million in general obligation bonding to fund investigations and remedial actions at contaminated sites. With the approximately \$3 million in bonding authority remaining at the end of the current biennium, DNR would then have the ability to undertake \$9 million in projects, or roughly 23 percent of the lower estimate of the following potential projects identified by DNR:

Privately Owned Landfills	\$3.5 to 8 million
Municipal Landfills	\$3.0 to 20 million
Dry Cleaning Facilities	\$0.4 to 2 million
Industrial Facilities without a Viable Responsible Party	\$10 million
Environmental Accidents/Emergencies	\$3 million
Petroleum Sites without a Viable Responsible Party	\$4 to 15 million
Safety Net for State Voluntary Clean-Up Programs	\$4 to 15 million
Major Sites Identified through Voluntary Clean-Up Programs	\$6 to 10 million
<u>Superfund Cost Share Requirements</u>	<u>\$5 million</u>
Total potential site costs over the next four to six years:	\$38.9 to 88 million

Sustainable Urban Development Zone Funding

The Department requests \$525,000 in environmental repair segregated funds for the biennium for the Sustainable Urban Development Zone (SUDZ) program. In the 1999-2001 biennial budget the program was created to allow five cities the opportunity to investigate and clean up brownfields in their community. In the 2001-2003 biennial budget, the SUDZ program was extended to include two more communities and opened a portion of the funding for communities to enter into a competitive process. The \$525,000 for that biennium was in the first year, with zero funding for the second year (FY 2003). This request would continue the program at the 2001-03 biennium level rather than at the zero FY 2003 level.

Brownfields Green Space and Public Facilities Grants

DNR requests \$1 million for the biennium to continue the current level of funding for the Green Space and Public Facilities Grant (Green Space) program. Green Space assists local governments in clean up of brownfield sites. The \$1 million for the 2001-03 biennium was in the first year, with zero funding for the second year (FY 2003). This request would continue the program at the 2001-03 biennium level rather than at the zero FY 2003 level.

Recycling Program

Recycling Grant Reductions

DNR requests a \$10 million reduction in recycling segregated funds for the biennium to reduce recycling grant funding to local governments. In the 2001-03 biennial budget, the Recycling Financial Assistance to Responsible Units program was funded at \$19.5 million in FY 2002 and \$29.5 million in FY 2003. Rather than base 2003-05 funding on FY 2003 doubled, DNR recommends the next biennium funding be based on the total funding for 2001-03, as intended, according to DNR.

Web Based Technology

The Department requests \$75,000 in FY 2004 to develop an automated, electronic reporting system for the recycling program. The goal is to improve communication between staff and the responsible government units receiving the recycling grants.

Water Quality Programs

Nonpoint Source Bonding

DNR requests \$23.7 million in general obligation bonding authority for a variety of nonpoint source and flood control programs. The request includes the following:

- \$10,046,800 for continued funding for priority watersheds (\$9,546,800) and notices of discharge (\$500,000) – increase the authorization limit from \$75,763,600 to \$85,810,400;
- \$4,000,000 for targeted runoff management grants – increase the authorization limit from \$2,000,000 to \$6,000,000;
- \$4,700,000 for urban storm water and municipal floodplain grants – increase the authorization limit from \$17,700,000 to \$22,400,000; and
- \$4,953,200 to implement performance standards promulgated under s. 281.16 Wis. Stats. – establish an authorization limit of \$4,953,200.

Of particular interest is the performance standard for nonpoint source pollution from agricultural and non-agricultural facilities that was mandated by Wis. Stat. s. 281.16. DNR expects these rules to be promulgated in early fall 2002. This program will provide eligible counties with cost-sharing funds for performance standard implementation.

Waterway and Wetland Permitting

The Department requests \$550,000 for the biennium to provide staff to assist in processing waterway and wetland permits for commercial and residential customers. DNR would provide a

single point of contact in every region to provide basic information and application forms related to the permits, information on the status of pending permits, as well as information on updating and maintaining the water mapping and data systems that are used to review and analyze the permits. In addition, staff would assist the permit decision-makers by performing basic field investigations, site inspections and other fieldwork and data gathering on the permit requests. Water permit fee revenues would pay these costs.

Security of Public Water

In response to the 9/11 attacks, DNR requests \$212, 800 and two staff positions in the Department's Bureau of Drinking Water and Groundwater to develop comprehensive water system security policies and procedures for all 12,000 regulated public water systems in Wisconsin. In addition, these positions would develop and coordinate the protocol for responding to water system security breaches. These positions would provide water system security training, support, and technical assistance to Department staff, regulated facilities, engineering consultants, and laboratories. They also would coordinate water system security and emergency response with other state, federal and local government partners.

Lake and River Grant Increase

The Department requests \$3 million for the biennium from the Water Resources Account of the Conservation Fund to increase lake and river grants. Lake grants would be increased by \$800,000 from the current annual level of \$2,675,400, while river grants would be increased by \$700,000 from the current annual level of \$292,400.

Public Health Protection – Testing

The Department requests \$183,000 over the biennium to provide laboratory funding for three identified public health hazards:

- Inland beach monitoring for E. coli
- Arsenic monitoring in private wells of low-income at-risk families
- Polybrominated Diphenyl Ethers (PBDEs) in Fish

DNR estimates that about 1,500 wells serving low-income families in northeast Wisconsin could have arsenic levels exceeding health standards. In addition, DNR notes that PBDEs have been reported in environmental samples and in humans. According to DNR, PBDEs may act as endocrine disruptors. (PBDEs have been used over the past two decades as a flame retardant in polymers used in electronic, textile and building materials.)

Water Pollutant Trading

The Department requests about a \$70,000 reduction in biennial funding for their water pollutant credit trading program. Under current law, DNR receives \$47,500 annually in a continuing appropriation to administer water pollutant trading pilot projects. The Department is nearing completion of three pollutant trading pilot projects across the state. A final report is expected during FY 2004 that will provide recommendations on funding and a proposal on the authorizing legislation for the 2005-07 biennial budget.

Miscellaneous Initiatives

Dam Safety Program

The Department requests \$150,000 for the biennium for emergency actions related to dam safety, as well as \$2 million in bonding revenue to re-fund the dam safety aid program. Funds would be used for emergency dam safety actions, which could include securing an unsafe dam site, breaching a dam that threatens life or property, or emergency measures to stabilize a dam pending final decisions on repair, reconstruction or removal. DNR typically responds to 2-5 dam emergencies per year but in some years has responded to as many as 20.

Exotic Species Management

DNR requests \$2 million over the biennium and two staff positions for a new invasive species management program. The new program stems from recommendations by the Governor's Task Force on Invasive Species (2001) to address the zebra mussel, Eurasian watermilfoil, gypsy moths, garlic mustard and hundreds of other plants, animals and pests from other countries and regions that are invading Wisconsin.

Chronic Wasting Disease

DNR requests over \$4 million and one new position to help manage wildlife disease in Wisconsin, primarily the Chronic Wasting Disease (CWD) crisis that has emerged in Wisconsin's white tail deer herd. The Department will spend over \$8 million on CWD in FY 2003. The new money would be used for research, law enforcement, public outreach, and wildlife disease management.

Forestry

DNR is asking for substantial increased funding to administer various forestry programs, including close to \$5 million to meet their statutory responsibilities under the Managed Forest Law and to provide sustainable forestry assistance to forest landowners. Over \$3 million is requested for forestry education and awareness; over \$4 million for fire management, safety and communications; and, \$1.6 million for ongoing forestry program support.

Internet-Based Electronic Reporting

The Department requests \$156,000 for the biennium for internet-based reporting for businesses regulated under DNR environmental programs. DNR would fund contract work to build a web-based interface to allow a facility to manage its own facility contact information, such as name, location, and related updates. A portion of the new money would be for additional staff to help manage the increased DNR workload caused by electronic reporting. (And we thought the goal for such efficiency measures was to save money.)

Fact System Support

DNR requests \$80,000 for the biennium to maintain and operate the FACT system. The system provides access to integrated facts about facilities with environmental concerns. Data is drawn from a wide range of media-specific reports and inventories, including wastewater, public water supply, groundwater retrieval network, air emission monitoring, air permits, solid and hazardous waste, and the toxic release inventory. DNR is preparing to load 1999 and 2000 data, which according to statutory directives, cannot be released until companies agree their data is accurate.

SELECTED STATUTORY CHANGES

Environmental Fees

Asbestos Fee Language

This proposal would modify the fee structure for the federally delegated asbestos program fees, as noted above.

Environmental Enforcement

Fee Charges for Enforcement Actions

This proposal would allow the Department to charge fees for enforcement documents and technical review for cases proceeding through remedial action enforcement actions.

Navigable Water Violations

This proposal would modify the maximum penalties for Chapter 30 navigable water protection laws to be consistent with other environmental protection statutes, creating a separate violation for each day of violation. The current maximum forfeiture for Ch. 30 violations is \$10,000 for the first offense. The proposed maximum penalty would be \$10,000 per day. Common violations involve shoreline alterations, riprap installation and pond construction.

Stormwater Violation Inspections

This proposal is to amend Wis. Stat. s.283.55 (2)(a) to clarify that the Department has authority to perform stormwater violation inspections. Inspection law currently references specific outflow sources (stream, sewage, discharge) subject to WPDES permits in violation inspections. Stormwater is not included. This proposal is to remove specific reference to permitted sources (s.283.31) to, in effect, include stormwater inspections.

Enforcement Provisions for False Statements and Documents

This proposal would give the Department enforcement authority over persons who submit false environmental program information. This change is directed at people who submit false lab and sampling data. A recent example included false data on a Petroleum Environmental Cleanup Fund Act site.

Increased Penalty Amount for Water Pollution

This proposal would increase the penalties in Wis. Stat. s 29.601 for placing noxious substances in any waters. The current maximum fine is \$200 for a violation and \$200 or imprisonment for 90 days for intentional violations. This language will increase the fine to up to \$500 for violations and up to \$5000 for intentional violations.

Uniform Department Police Powers on Non-State Park Properties

This proposal would provide a consistent level and authority of law enforcement on the State Forests, Wildlife Areas, Natural Areas, and other properties owned by the Department that are outside of the State Park system. Currently, the Department has general police supervision only on state park lands.

Environmental Repair & Brownfields

Vehicle Environmental Impact Fee Sunset Deletion

This proposal would eliminate the 12/31/03 sunset for the \$9 environmental impact fee. This fee, established in 1997 as Wisconsin Act 27, is imposed on the filing of new and used vehicle title applications. Revenue from this fee is deposited in the Environmental Fund.

Assignment of Tax Deeds on Brownfield Property

This proposal would give a county that acquires tax delinquent property the ability to sell the property without using a competitive bidding process if the county provides written notice of the sale to the municipality in which the property is located at least 15 days before the sale; the property is contaminated by a hazardous substance; the property is a brownfield; an environmental assessment is conducted on the property and DNR is given the results of that assessment; and the purchaser of the property agrees to clean up, maintain, and monitor the property according to rules that are established by DNR.

Sale of Tax Delinquent Brownfield Properties

This proposal would allow a county or city of the first class to transfer tax delinquent property it owns, without using a competitive bidding process, if environmental pollution is present and the property meets the definition of a brownfield.

Eliminate Interim Liability Exemption for Voluntary Parties

This proposal would repeal an interim liability exemption in Wis. Stat. s.292.15 (2)(at), which was designed to protect a voluntary party between site investigations and receipt of Certificate of Completion. According to DNR, this exemption has never been used and is not needed.

Natural Attenuation at Voluntary Party Sites

This proposal would require the voluntary party who currently owns the property to allow DNR and other specific authorized parties access to enter the property to take necessary actions to determine if natural attenuation has failed and respond in the event it has failed.

Local Government Liability Exemption from Solid Waste Laws

This proposal would provide local governments with an exemption for conducting investigation and cleanup actions at certain types of solid waste facilities or sites. Under this provision, a local governmental unit that is exempt from the clean-up requirements for a property is also exempt from solid waste management standards and other legal requirements relating to solid waste for that property. This would not apply to licensed or approved facilities or a facility where the local government caused the contamination.

Landfill Cleanup – Orphan Share Liability

This proposal, in response to specific instructions contained in 1999 Wisconsin Act 9 non-statutory language, would make s. 292.35 applicable to all landfills. According to DNR, the intent of s. 292.35 is to clarify the process for local governmental unit negotiation and cost recovery, particularly in terms of who pays for the orphan share amount of landfills - the state or municipalities. In Act 16, s.292.35 was modified to apply only to a landfill in Waukesha. This proposal would apply it to all landfills.

Clarify the Sustainable Urban Develop Zone (SUDZ) Program

This proposal modifies Wis. Stat. s.292.77 to clarify eligibility requirements, grant procedures, and eligible costs and projects for the SUDZ program.

Clarify the Brownfields Green Space and Public Facilities Grant (Green Space) Program

This proposal modifies Wis. Stat. s. 292.79 to clarify eligibility requirements, grant procedures, and eligible costs and projects for the Green Space program.

Clarify Liability Exemption in Spill Law and Environmental Repair Law in Terms of Cost Recovery

This proposal would make Wis. Stat. s.292.31, the environmental repair law, consistent with Wis. Stat. s.292.11, the spill law, as they apply to the liability of an exempt person, if funding from the Environmental Fund is expended. The proposal would amend s. 292.31 to clarify that a person in possession of a liability exemption is not the subject of cost recovery efforts under the statute if Environmental Fund monies are spent at the property.

Elimination of Year 2000 Deadline for Remedial Action

This proposal would delete Wis. Stat. s.292.31 (3) (cm), which requires the Department to take actions between January 1989 and January 2000, a time period that has expired. The language also includes an expectation that by January 1, 2000, the Department would initiate cleanup at all contaminated sites that present a substantial danger to public health or welfare or the environment.

Multiple Lists/Inventories

This proposal would eliminate the requirement in Wis. Stat. s.292.31 that the Department maintain an inventory of sites or facilities that may cause or threaten to cause environmental pollution, and that the Department publish a hazard ranking list based on that inventory. The Department proposes to substitute a requirement that a comprehensive database of all known contaminated sites in the state be made available.

Dry Cleaner Environmental Repair Program (DERP) Changes

This proposal makes a number of adjustments to the DERP statutory language. These adjustments include: clarification of owner/operator definitions; notification of insurance claims and receipt of proceeds; clarification of past costs and application deadlines; clarification of eligible costs prior to October 14, 1997 and award deadlines; clarification of environmental fund monies reimbursement; revision to the definition of drycleaning product; support of Department of Revenue changes; and reduction of awards.

Land Recycling Loan

This proposal would modify the Land Recycling Loan Program to increase the availability of the loans to local governments. The recommended changes include eliminating the use of the Intent to Apply and the December 31st application deadline, and making the loan available for brownfields environmental site assessments and initial investigations.

Environmental Improvement Fund: Bonding and Present Value for Biennial Finance Plan

This proposal increases revenue bonding and present value subsidy authorization for the Environmental Improvement Fund as part of the Biennial Finance Plan. Revenue bonding authorized for the Clean Water Fund Program would be increased by \$259.7 million, to a cumulative total of \$1.7 billion. No increases are proposed in general obligation bonding. Present value subsidy would be authorized at \$92.4 million for the Clean Water Fund, \$12.8 million for the Safe Drinking Water Loan Program, and \$12 million for the Land Recycling Loan Program. Further, the Biennial Finance Plan earmarks an additional \$20 million from the Environmental Improvement Fund for the Land Recycling Loan Program.

Water Quality Programs

Bonding Authorization for Nonpoint Programs

This proposal increases bonding authority for nonpoint programs: Priority Watershed Bonding and Notices of Discharge; Targeted Runoff Management Grants; Urban Nonpoint Source and Municipal Flood Control and Riparian Restoration Grants; and Nonpoint Performance Standards Bond Authorization. See decision item 5410 in Watershed Management for additional information on the bonding request.

Nonpoint Pollution Abatement Performance Standards

This proposal creates a financial assistance program for municipalities to implement activities designed to comply with the nonpoint pollution abatement performance standards. (See above).

Flexibility for Nonpoint Pollution Abatement Resources

The GPR appropriation for nonpoint source environmental aids contains a requirement that the Department allocate \$300,000 in each fiscal year for priority lakes projects. This language eliminates the set-aside and gives the Department more flexibility in addressing the most critical projects in all projects including lakes. This proposal also changes the environmental aids nonpoint source appropriation from biennial to continuing.

Flexibility for Nonpoint Pollution Abatement Resources/Urban

This proposal changes the SEG appropriation for urban nonpoint source water pollution abatement and municipal flood control programs from annual to continuing.

Provide Funding Authorization for Notices of Discharge

This proposal allows the Department to make nonpoint cost-sharing grants available to an animal feeding operation in order to comply with a notice of discharge (NOD). Currently, the Department can only make funding available through the targeted runoff management grants.

Land and Water Resource Management Plans

This proposal requires that a county's land and water resource management plan must be consistent with chapters 281 and 283 and must address implementation of the nonpoint source performance standards before projects under the plan are eligible for funding under targeted runoff management, urban storm water or performance standard implementation

Revise Urban Definition under Urban Nonpoint Source Water Pollution Abatement and Storm Water Management Program

This proposal expands the definition of an urban area. It adds any area contributing runoff to a municipal separate storm sewer outfall that requires coverage under a municipal storm water

discharge permit, and as a result, allows the Department to consider grants for all municipal storm water permittees.

Expand Lake Planning Grants to Include Control of Invasive Exotic Species

This proposal is a companion piece to the Exotic Species Management proposal that provides funding for cost-sharing grants to local units of government for projects to control invasive species. (See above)

Bonding for Dam Safety Aid Program

This proposal increases bonding for the dam safety aid program from \$6,600,000 to \$8,600,000 consistent with the Dam Safety budget request in the Bureau of Watershed Management. (See above)

Clean Water Fund: Eliminate Prohibition on More Than 1 Application per 12 Months

This proposal would eliminate the prohibition on a municipality submitting more than one application for financial assistance for a single project in any 12 month period.

Clean Water Fund: Update the 2/3 Review

This proposal expands eligibility for loans for design, planning and construction of new collection systems in unsewered municipalities. Currently, in order for a project to be eligible for a loan, at least two-thirds of the initial flow must be for water originating from residences in existence on October 17, 1972. The proposal changes the requirement so that at least two-thirds of the initial flow must be for water originating from residences in existence on the date that is 10 years before the day on which the Department approves the facility plan.

Clean Water Fund: Subsidy for Small Loans

This proposal addresses small loans made by the State Trust Fund where DNR pays a subsidy to help cover the cost of the interest rate charged by the State Trust Fund. The DNR payment equals the amount necessary to reduce the interest rate to the level that the DNR would have charged had the applicant applied to DNR for a loan under the Clean Water Fund. The proposed language clarifies that if the interest rate charged by the State Trust Fund is less than the subsidized rate charged by DNR, the DNR is not required to provide additional subsidy of the interest rate beyond what it would have otherwise provided.

Closing Deadline for Safe Drinking Water Program

This proposal changes the deadline for closing a Safe Drinking Water loan from the previous year. Currently the deadline is April 30 of the year following the year in which funding is allocated. The proposed deadline is June 30.

Clean Water Fund: Violator Provision

This proposal adds small loans to the violator provision in s. 281.58(8)(h). Currently a municipality that is a violator of an effluent limit at the time an application for a treatment work project is approved may not receive financial assistance under the Clean Water Fund for that part of the treatment work that is needed to correct the violation. Applicants for the Small Loan Program are excluded from this requirement. The proposed language deletes this exclusion.

Clean Water Fund: User Charge Requirement for Small Loans

The Clean Water Fund contains a provision that reduces requirements for projects under \$750,000. The statute allows the Department to exempt these small projects from most of the user charge requirements but retains the requirement that the user charge system cover the cost of debt service and equipment replacement. This proposal eliminates this requirement on the grounds that it is unnecessary and the State Trust Fund, which makes the loan, has its own system of safeguards.