

2021-2023 Environmental and Conservation Issues in

Governor Evers' Proposed State Budget – (Senate Bill 111/Assembly Bill 68)

The Knowles Nelson Stewardship Fund

-The Governor recommends extending the Warren Knowles-Gaylord Nelson Stewardship 2000 Program until fiscal year 2031-32 at \$70 million per year. The Governor also recommends providing \$700 million in bonding authority for projects under the Stewardship Program. The Governor further recommends modifying the allocation of funds under the Stewardship Program to better align the program's priorities with the needs of the state. In addition, the Governor recommends modifying the approval process for certain expenditures under the program.

Energy

-The Governor's capital budget will include enumeration of just over \$100 million in bonds for 2021-23 energy conservation projects. These funds will be used for energy conservation projects to help state agencies and the University of Wisconsin System meet their energy reduction goals and reduce utility costs. Renewable projects would include solar, wind, standby generators, or geothermal enhancements to state facilities. The achieved savings from the reduction in utility costs is used to pay the debt service payments on the bonds.

-The budget establishes the Office of Sustainability and Clean Energy within the Department of Administration. The office will promote the development and use of clean and renewable energy across the state, advance innovative sustainability solutions that improve the state's economy and environment, diversify the resources used to meet the state's energy needs, and generate family supporting jobs by promoting the expansion of Wisconsin's clean energy economy. The office will also oversee a new \$4 million renewable and clean energy research grant, funded by the Environmental Fund, during the biennium.

-The budget also establishes an Office of Environmental Justice within the Department of Administration, which will facilitate collaboration across state agencies and engage with environmental justice advocates, communities of color, Native Nations, and low-income populations to design climate policies that reduce emissions and pollutants and address the cumulative and deadly impact of their concentration within those communities. The budget also provides funding to the Office of



Environmental Justice for the execution of state and local government climate risk assessment and resilience plans.

-The Governor's budget also allocates some of the remaining Volkswagen emissions settlement funds by appropriating \$10 million to support the reinstatement of the electric vehicle charging station grant program administered by the Department of Administration and \$700,000 to replace aging state fleet vehicles with new electric vehicles.

-The Governor recommends modifying several statutory provisions to expand low-cost debt financing of clean energy projects for residential, commercial, and governmental customers, including: (a) requiring the commission to create a model ordinance for counties to establish a property assessed clean energy (PACE) financing program; (b) authorizing the Focus on Energy program to allocate funds to market PACE programs across the state; and (c) authorizing regulated utilities to offer inclusive on-bill financing for energy efficiency improvements.

-The Governor is also requiring the commission to reevaluate the appropriate social cost of carbon every two years, in consultation with the Department of Natural Resources, and report the findings in a biennial report to the standing legislative committees; and requiring the commission to consider the social cost of carbon when determining whether to issue construction certifications. The "social cost" of carbon includes the economic damage resulting from carbon dioxide emissions, including effects on human health, agricultural productivity, and property damage from severe weather events.

Climate Change and Natural and Working Lands

-Fund and execute state and local climate risk assessments and resilience plans and create a chief resilience officer to oversee development and execution of these plans. According to the task force, a statewide climate risk assessment and resilience plan is necessary to identify infrastructure and communities most at risk of climate change impacts.

- Modify current law to require a comprehensive plan be developed by municipalities to address climate change, require that local hazard mitigation plans include climate change, and require communities throughout the state to include climate change in their community health improvement assessment and plans.

-Provide technical assistance grant funding to assist municipalities and tribal nations to develop a plan to be carbon-free by 2050. Provide \$200,000 over the biennium at the new Office of Environmental Justice for this purpose.

-(Also see Energy) Doubling the required utility contribution for the Focus on Energy program from 1.2 percent to 2.4 percent of annual operating revenues, which would generate an additional \$100 million in funding for the program. Focus on Energy provides both business and residential programs. Examples of programs include: assistance for businesses applying for federal grants from the U.S. Department of Energy, providing no or low-cost energy tips, training opportunities for businesses, and financial incentives for residents seeking to improve the energy efficiency in their homes.

-Reserve a portion of the additional Focus on Energy funds for the Public Service Commission to develop a low-income customer track that will, in partnership with the Department of Administration Weatherization Program, offer enhanced incentives for eligible customers.

-The Governor recommends that the Department of Agriculture, Trade and Consumer Protection develop a pilot program to study the feasibility of a carbon market covering the state. The budget also provides grants to producers and producer-led groups who participate in the carbon market pilot program.

-A significant amount of otherwise usable food ends up in landfills every year due to inefficiencies in the food distribution network. The Governor recommends providing \$100,000 annually for the creation of a food waste reduction pilot program. The pilot project will seek to connect food producers and distributors with nonprofit food insecurity entities. The project will reduce the amount of food waste that ends up in landfills and help feed families in need.

-(See also Forestry)The Governor also recognizes the critical role Wisconsin's forests play in combating climate change. This budget provides \$645,000 in fiscal year 2021-22 and \$995,000 in fiscal year 2022-23 for the Urban Forestry Program. The budget also increases the Wisconsin Forest Landowner Grant by \$325,000 in each year. Finally, the budget provides \$540,000 annually in grant funding to combat terrestrial invasive species.

PFAS

-The budget includes \$750,000 in fiscal year 2021-22 to test public water supply wells deemed most susceptible to Per- and Polyfluoroalkyl Substances (PFAS) contamination.

-The Governor proposes \$55,000 annually to survey 44 large rivers across the state annually to analyze and track trends in water quality related to PFAS. The Department of Natural Resources estimates that the proposed waterways drain approximately 80 percent of the state's land mass.

- To better obtain sampling results for PFAS in effluent from wastewater permittees, the Governor proposes \$25,000 annually in testing for wastewater treatment facilities.
- Increase staffing at the Wisconsin Department of Natural Resources by 11.0 full time positions to implement the Wisconsin PFAS Action Council's action plan. Department staff will focus on establishing standards and testing methodologies for PFAS contamination in air, land, and water.
- The budget also provides \$600,000 annually, on an ongoing basis to test for and mitigate PFAS at state-led sites. State led sites are those locations where a responsible party cannot be identified or does not have the financial means to remedy the contamination.
- The Wisconsin Department of Natural Resources will also conduct monitoring of PFAS levels in wildlife and, in coordination with the Department of Health Services, develop health advisories for consumption of PFAS-contaminated wildlife.
- The budget also provides assistance and resources to local communities that are impacted by PFAS contamination. The Governor recommends providing \$10 million in each year for a municipal grant program.
- The budget proposes to treat or dispose of PFAS-containing firefighting foam containers; sample a private water supply within three miles of a site or facility known to contain PFAS; provide a temporary emergency water supply, a water treatment system, or bulk water to replace water contaminated with PFAS; conduct emergency, interim, or remedial actions to mitigate, treat, or dispose of PFAS; or remove PFAS from a public drinking water supply.
- In addition to the municipal grant program, a PFAS-containing firefighting foam collection and disposal project will provide \$1 million to assist local fire departments in removing PFAS from their stations.

Agriculture and Clean Water

- The Governor provides \$7 million in bonding authority for the Soil and Water Resource Management (SWRM) program at the Department of Agriculture, Trade and Consumer Protection. The SWRM program provides farmers with financial assistance to construct infrastructure projects that reduce nonpoint source pollution.
- The budget will also provide \$6.5 million in bonding for the Target Runoff Management (TRM) program at the Department of Natural Resources. The TRM program provides municipalities with financial assistance for infrastructure projects to reduce nonpoint source pollution. The Department of Agriculture, Trade and Consumer Protection and the Department of Natural Resources coordinate the

nonpoint pollution abatement efforts in the SWRM and TRM programs through an annual joint allocation plan.

-The budget also provides \$25 million in bonding authority to clean up the toxic sediment at the bottom of many of Wisconsin's lakes and rivers, built up over years of pollution. The funds are to be used to remove contaminated sediments, such as DDT, PCBs, and heavy metals, from areas of concern in the Great Lakes Basin.

-In addition to infrastructure improvements, the Governor's budget helps producers make changes in practices to improve water quality. The budget increases the \$750,000 annual statutory cap in the nutrient management program for producer-led watershed grants to \$1,000,000. The producer-led watershed grants help groups of farmers work collaboratively to reduce and prevent runoff that causes nonpoint source water pollution.

-The Governor recommends providing \$320,000 annually to support the establishment of a statewide grazing education grant program and assist producers who incorporate regenerative agricultural practices.

-The budget also provides funding and staffing to help producers and producer led groups obtain certification through the Alliance for Water Stewardship.

-The Governor's budget removes barriers to those groups and individuals who are working hard to improve the environment.

-The budget requires the Wisconsin Department of Natural Resources to issue a general permit that authorizes wetland, stream, and floodplain restoration and management activities that will result in a net improvement in hydrologic connections, conditions, and functions. This will make hydrologic restoration projects easier to accomplish by removing red tape. The Governor also recommends the creation of a hydrologic restoration and management advisory council to provide input and make recommendations to the department on issues related hydrologic restoration.

-The Governor recommends providing \$500,000 for a pilot program that awards grants to farmers to implement management practices which reduce nitrate loading.

-The Governor recommends providing \$1,000,000 in each year of the biennium for financial assistance under the well compensation program. The budget will also update the program's contamination criteria to bring it in line with federal water quality standards and update the program's financial qualifications to allow the program to serve more Wisconsin residents.



- The Governor recommends providing one-time funding of \$220,000 for the creation of a new waterway and wetland permit database.
- The Governor recommends providing \$243,000 and 3 full time positions to administer the wetland in-lieu fee program

Chronic Wasting Disease (CWD)

- The Governor recommends reallocating a 1.0 full time position within the department to serve as a wildlife veterinarian.
- The Governor recommends \$1 million to fund drop off sites for deer carcasses.

Forestry

- This budget provides \$645,000 in fiscal year 2021-22 and \$995,000 in fiscal year 2022-23 for the Urban Forestry Program. The budget also increases the Wisconsin Forest Landowner Grant by \$325,000 in each year. Finally, the budget provides \$540,000 annually in grant funding to combat terrestrial invasive species.
- Under current law, the Wisconsin Department of Natural Resources administers an urban forestry grant program to provide grants to municipalities and non-profit conservation organizations (NCOs) to undertake various tree projects in urban areas. The bill allows Wisconsin Department of Natural Resources to promulgate emergency rules to incorporate new priorities and categories of grants and recipients and to increase the minimum amount of urban forestry grants, without finding that an emergency exists or providing evidence that promulgating an emergency rule is necessary to preserve public peace, health, safety, or welfare.
- The Governor recommends providing \$149,400 and 2 full time positions to administer the Good Neighbor Authority Program.
- The Governor recommends increasing county forest acreage share payments from \$0.30 per acre to \$0.63 per acre to adjust for inflation.

Waterfowl Stamp Fee and uses

-The Governor raises the fee for a waterfowl hunting stamp from \$6.75 to \$11.75. Current law requires Wisconsin Department of Natural Resources to spend 67 percent of the money received from fees for waterfowl hunting stamps for developing, managing, preserving, restoring, and maintaining wetland habitat and for producing waterfowl and ecologically related species of wildlife. Under the bill, DNR may also provide those moneys to NCOs and local units of government for developing and restoring wetland habitat.

Groundwater Mapping (In WI Geological and Natural History Survey Budget)

-Add one fulltime position at the Wisconsin Geological and Natural History Survey (WGNHS) to update groundwater maps. WGNHS has a high level of expertise, but groundwater studies have a long turnaround time due to lack of staff.