



Environmental Management Account

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Environmental Management Account

Introduction

The segregated (SEG) environmental fund consists of the environmental management account and the nonpoint account. The two accounts are statutorily designated as one fund but are tracked separately. This paper provides an overview of the revenues deposited in the environmental management account and expenditures made from the account. For more information about selected programs funded from the environmental management account, see the Legislative Fiscal Bureau informational papers entitled, "Contaminated Land Cleanup Programs" and "Recycling Financial Assistance Programs."

The nonpoint account supports programs primarily housed in the Department of Natural Resources (DNR) and the Department of Agriculture, Trade and Consumer Protection (DATCP) related to abatement of runoff from agricultural and urban sources. For information about the nonpoint account, see the Legislative Fiscal Bureau informational paper entitled, "Nonpoint Source Pollution Abatement and Soil Conservation Programs."

The environmental management account receives revenues primarily from several state solid waste tipping fees paid by Wisconsin landfills for each ton of solid waste disposed in the landfill. State tipping fees total \$12.997 per ton, including \$9.64 deposited in the environmental management account, \$3.20 in the nonpoint account, and \$0.157 in other accounts. Several other environmental fees and revenues are also deposited in the environmental management account.

Under 2011 Wisconsin Act 32, revenues and most programs related to recycling were transferred to the environmental management account from the former recycling fund, which was

eliminated.

The environmental management account provides funding for: (a) recycling financial assistance to local governments; (b) DNR administration of contaminated land, brownfields cleanup, and recycling programs, including staff in remediation and redevelopment, solid waste management, air management, groundwater management, and central administrative programs; (c) brownfields grant programs; (d) debt service costs for general obligation bonds issued for state-funded cleanup of contaminated land and sediment; (e) state-funded cleanup of contaminated properties where there is no responsible party able or willing to pay for the cleanup; (f) debt service costs for general obligation bonds issued under the former point source water pollution abatement grant program, which ended in 1990; (g) certain environmental and recycling programs in DATCP, and the Departments of Health Services and Military Affairs; and (h) remediation of specific sites using moneys received under court-approved settlement agreements or orders (primarily for Fox River cleanup). The Appendix shows all appropriations from the account.

Solid Waste Tipping Fees

Solid waste is subject to Wisconsin tipping fees for each ton of solid waste disposed of in landfills, except for certain materials used for lining, daily cover, capping or constructing berms, dikes or roads within the facility, or waste subject to certain other statutory fee exemptions. Landfill operators pay the fees to DNR, and recover the cost of the fees from generators who dispose of waste at the landfill.

In the 2017-19 biennium, approximately 90% of revenues to the environmental management account (excluding certain site-specific revenue) are anticipated to be received from the recycling, environmental repair, groundwater, and well compensation solid waste tipping fees.

Tipping Fee Rates

Table 1 shows the current state tipping fee rates per ton. State tipping fees totaling \$12.997 per ton are assessed for municipal solid waste and non-high-volume industrial waste disposed of in state landfills. Certain wastes are assessed lower fee rates or are exempt from some or all tipping fees. Four separate state tipping fees are deposited in the environmental management account, and total \$9.64 per ton for most non-high-volume industrial waste. Table 1 also shows the three fees, totaling

\$3.357 per ton, that are deposited in the nonpoint account and in two program revenue (PR) accounts.

Municipal and non-high-volume industrial waste is generally subject to the full \$12.997 per ton of fees, and includes solid waste generated by residential, business, commercial, government facility, construction and demolition, and industrial uses that are not high-volume. High-volume industrial waste includes fly ash, bottom ash, paper mill sludge and foundry process waste. Table 1 shows that high-volume waste is assessed tipping fees totaling \$0.497 per ton, and is exempt from the recycling and nonpoint tipping fees.

Table 2 shows the changes in the recycling, environmental repair, and nonpoint tipping fee rates, and the date the change was effective. The

Table 1: State Solid Waste Tipping Fees Per Ton

Fund, Fee	Type	Municipal and Non-High-Volume Industrial Waste ¹	High-Volume Industrial Waste ²	PCB-Contaminated Sediment ³
Environmental management account - Recycling (recycling fund prior to 2011-12)	SEG	\$7.000	\$0.000	\$0.000
Environmental management account - Environmental repair	SEG	2.500	0.200	0.850
Environmental management account - Groundwater	SEG	0.100	0.100	0.100
Environmental management account - Well compensation	SEG	<u>0.040</u>	<u>0.040</u>	<u>0.040</u>
Subtotal Environmental Management		\$9.640	\$0.340	\$0.990
Nonpoint account	SEG	3.200	0.000	3.200
DNR Solid Waste landfill administration	PR	0.150	0.150	0.150
DOA Solid Waste Facility Siting Board	PR	<u>0.007</u>	<u>0.007</u>	<u>0.007</u>
Subtotal Nonpoint/Program Revenue Accounts		\$3.357	\$0.157	\$3.357
Total State Tipping Fee		\$12.997	\$0.497	\$4.347

¹ Municipal and non-high-volume industrial waste includes solid waste generated by residential, business, commercial, government facility, construction and demolition, and industrial uses that are not high-volume.

² High-volume industrial waste includes fly ash, bottom ash, paper mill sludge and foundry process waste.

³ PCB (polychlorinated biphenyls) contaminated sediments are subject to the rates in the table if they are removed from a navigable water of the state in connection with a phase of a project to remedy contamination of the bed of the navigable water, and the quantity of sediments removed will exceed 200,000 cubic yards. If the PCB sediments do not meet these criteria, they are subject to the fees for non-high-volume industrial waste.

-Waste used as daily cover, lining, capping or constructing berms, dikes or roads in the facility is exempt from the fees if use for that purpose is approved by DNR and the waste is used in that way.

recycling tipping fee was created in 1999 Wisconsin Act 9, at a rate of 30¢ per ton, effective for waste disposed of in Wisconsin landfills on or after January 1, 2000. The recycling fee was deposited in the segregated recycling fund prior to 2011-12.

Table 2: Tipping Fee Rate Changes - Municipal Solid Waste

Time Period	Fee Rate
Recycling Fee	
January 1, 2000 to December 31, 2001	\$0.30
January 1, 2002 to October 31, 2007	3.00
November 1, 2007 to September 30, 2009	4.00
October 1, 2009 and thereafter	7.00
Environmental Repair Fee	
Prior to November 1, 2007	\$0.50
November 1, 2007 to June 30, 2009	0.85
July 1, 2009 and thereafter	2.50
Nonpoint Fee	
November 1, 2007 to June 30, 2009	\$0.75
July 1, 2009 and thereafter	\$3.20

The recycling and solid waste landfill administration tipping fees are assessed and collected quarterly. The other environmental management (environmental repair, groundwater, and well compensation), nonpoint, and Solid Waste Facility Siting Board fees are assessed annually in May for tons disposed of during the previous calendar year. Most of the annual fees are received by DNR in June or July. For example, tons landfilled in 2017 were assessed tipping fees by DNR in May of 2018, and DNR received the fees primarily in the 2017-18 fiscal year, which ended on June 30, 2018. However, sometimes there is a time lag between billing and collections, and some tipping fees assessed in one fiscal year are received in the subsequent year.

State recycling tipping fees paid by municipalities are exempt from the budget test under the expenditure restraint program. Other tipping fees are not subject to this provision.

The DNR solid waste landfill administration

PR appropriation funds DNR administration of: (a) landfill plan review and licensing; (b) licensing of solid waste collectors and transporters; and (c) plan review and licensing of hazardous waste facilities and transporters. The waste facility siting tipping fee supports the Solid Waste Facilities Siting Board, attached to the Department of Administration (DOA). The Board supervises mandated negotiation and arbitration procedures related to the siting of solid or hazardous waste facilities.

In addition to the environmental repair tipping fee shown in Table 1, nonapproved (certain older) facilities pay 1.5¢ per ton of solid non-hazardous waste disposed and 15¢ per ton of hazardous waste. There are no hazardous wastes disposed of in Wisconsin-licensed facilities at this time and thus, no revenue is received from hazardous waste tonnage fees.

Tons of Solid Waste

Table 3 shows the total tons of solid waste disposed of in Wisconsin landfills for the past six years of available data. Tonnages are shown on a calendar-year basis, and fees are mostly received before the end of the succeeding fiscal year. Table 3 shows that the total tons of waste sent to landfills in recent years decreased from 8.7 million tons in 2012, to 7.8 million tons in 2013, then ranged from 8.2 million to 8.6 million tons in the following years. The 2006 disposal total of over 11.2 million tons marked a record high. Table 3 reflects some variability in annual tonnages for certain categories, and such variability in waste categories may impact total annual tons subject to fees. An example of such variation would be an increase in contaminated sediment from remediation projects in the Fox River and the Sheboygan River deposited in landfills in 2012.

Tipping Fee Collections

Table 4 shows total state tipping fee collections from fiscal years 2015-16 through 2017-18, by tipping fee category. Actual collections vary based

Table 3: Tons of Solid Waste Landfilled in Wisconsin, by Category and Year

Type of Waste	2012	2013	2014	2015	2016	2017
Municipal solid waste and construction and demolition waste	4,358,897	4,217,321	4,346,568	4,330,987	4,398,048	4,552,062
Other non-high-volume industrial waste	714,297	495,227	601,772	686,108	561,747	729,480
PCB-contaminated sediment ¹	833,588	295,865	342,970	336,724	359,861	346,945
Unusable paper-making materials ¹	55,358	71,863	75,476	75,303	72,801	85,388
Certain waste from nonprofits that operate recycling programs ¹	<u>8,620</u>	<u>13,812</u>	<u>17,110</u>	<u>18,914</u>	<u>23,370</u>	<u>27,247</u>
Subtotal tons subject to nonpoint tipping fee	5,970,760	5,094,088	5,383,896	5,448,036	5,415,827	5,741,122
Percent change in tons subject to nonpoint tipping fees	---	-14.7%	5.7%	1.2%	-0.6%	6.0%
High-volume industrial waste ²	880,082	1,136,766	1,223,081	1,185,236	1,263,949	988,999
Tons subject to state statutory tipping fees	6,850,842	6,230,854	6,606,977	6,633,272	6,679,776	6,730,121
Tons used for daily cover at landfills ³	1,858,597	1,619,116	1,557,816	1,462,313	1,737,729	1,552,983
Certain waste generated from a natural disaster or for certain waste removal activities	403	0	275	0	54	185
Materials recovery facility residues	<u>0</u>	<u>0</u>	<u>0</u>	<u>124,378</u>	<u>160,345</u>	<u>173,047</u>
Subtotal tons exempt from all state statutory tipping fees ⁴	1,859,000	1,619,116	1,558,091	1,586,691	1,898,128	1,726,215
Total waste landfilled in Wisconsin	8,709,842	7,849,970	8,165,068	8,219,963	8,577,904	8,456,336
Percent change in total tons landfilled in Wisconsin	---	-9.9%	4.0%	0.7%	4.4%	-1.4%
Portion of landfilled tons from out-of-state	385,736	375,266	347,253	328,413	354,510	384,802

¹ Subject to reduced rates for, or exemption from, other state tipping fees.

² Includes utility power plant ashes and sludges, pulp and papermill waste, foundry manufacturing waste, and energy recovery incinerator ash.

³ Wastes used at landfills for daily cover, lining, capping, or constructing berms, dikes or roads.

⁴ DNR assesses the \$0.15 per ton landfill license surcharge under administrative code to materials recovery facility residues but not to the daily cover and natural disaster wastes.

Source: Compilation of annual reports submitted by landfills to DNR.

on several factors. First, tons of waste disposed for each category will vary by year. Second, DNR regularly receives a portion of tipping fee revenues after the close of the fiscal year in which fees were assessed. DNR accounting for tipping fee revenues also changed with the implementation of a new state accounting system beginning in the 2015-16 fiscal year.

To reflect current accounting practice, Table 4 shows billed tipping fees by category for the environmental management and nonpoint accounts.

Adjustments are included for: (a) amounts collected from prior fiscal years' assessments; and (b) amounts still owed from the total billed in that fiscal year. For example, DNR in 2017-18 billed \$71.4 million in tipping fees for the environmental management and nonpoint accounts. The Department collected a total of \$21.4 million in tipping fees attributable to amounts billed mostly in 2016-17, which is shown in Table 4 as additional prior year collections. Further, while \$15.2 million billed in 2017-18 remained outstanding. The net total, along with \$1.1 million collected for DNR

Table 4: State Solid Waste Tipping Fee Revenue Collections

Fee	2015-16	2016-17	2017-18
Environmental Management Account (EMA)			
Recycling	\$34,578,400	\$35,205,700	\$37,421,100
Environmental Repair	13,910,900	12,901,400	14,264,600
Groundwater	691,000	656,300	684,700
Well compensation	276,400	256,700	273,900
EMA Subtotal	<u>\$49,456,700</u>	<u>\$49,020,100</u>	<u>\$52,644,300</u>
Additional prior year collections *	0	7,870,400	9,848,200
Billed amounts outstanding on June 30 *	<u>-7,956,500</u>	<u>-9,761,700</u>	<u>-6,809,300</u>
EMA adjusted Subtotal	\$41,500,200	\$47,128,800	\$55,683,200
Nonpoint Account (NP)			
Additional prior year collections *	0	9,574,800	11,554,700
Billed amounts outstanding on June 30 *	<u>-9,574,800</u>	<u>-11,554,700</u>	<u>-8,377,500</u>
NP adjusted Subtotal	\$8,615,800	\$14,977,700	\$21,921,800
DNR Solid waste landfill administration			
DOA Waste Facility Siting Board	<u>\$989,300</u>	<u>\$1,016,600</u>	<u>\$1,045,300</u>
	<u>42,000</u>	<u>42,800</u>	<u>64,100</u>
Total	\$51,147,300	\$63,165,900	\$78,714,400

*Represents the net change in the outstanding amounts billed in a fiscal year and received in a subsequent fiscal year.

and DOA solid waste PR appropriations, results in the 2017-18 actual collections of \$78.7 million.

In addition to the statutory tipping fee collections, 2013 Wisconsin Act 20 directed that a one-time transfer of environmental repair tipping fees be made from the environmental management account to the nonpoint account in the 2013-15 biennium, including \$650,000 in 2013-14 and \$1,300,000 in 2014-15. Further, 2017 Wisconsin Act 59 and 2017 Wisconsin Act 196 required that one-time transfers of \$3,652,500 be made in each of 2017-18 and 2018-19 from environmental repair tipping fees to the nonpoint account in the 2017-19 biennium. These transfers are not included in Table 4.

Waste Subject to Reduced Tipping Fees

PCB-Contaminated Sediments. 2003 Wisconsin Act 33 exempted from the recycling tipping fee all sludges, river sediments, or dredged materials that contain PCBs (polychlorinated biphenyls) that are removed in connection with the

remediation of contaminated sediments in a navigable water of the state, if the total quantity of the removed materials, either in an individual phase or in combination with other planned phases of remediation, will exceed 200,000 cubic yards. This exemption applies mainly to sediments dredged from the Fox River cleanup project, and, to a smaller extent, other large harbor contaminated sediment cleanups such as in the Sheboygan River. Qualifying PCB-contaminated wastes pay tipping fees totaling \$4.347 per ton. If the PCB sediments do not meet these criteria, they are subject to the \$12.997 per ton fee for non-high-volume industrial waste.

Under 2009 Wisconsin Act 28, when the environmental repair tipping fee was increased from \$0.85 to \$2.50 per ton for non-high-volume industrial waste, the fee rate for PCB-contaminated sediment was maintained at \$0.85 per ton if it meets the same eligibility criteria required for the recycling tipping fee exemption.

In calendar years 2004 through 2017, a total of

3,367,500 tons of contaminated sediments, primarily from the Fox River cleanup project, were disposed of in Wisconsin landfills, and were subject to reduced state tipping fees. This included 359,900 tons in 2016 and 346,900 tons in 2017.

Unusable Paper Making Materials. 2005 Wisconsin Act 25 exempted from the recycling tipping fee waste material that is removed from recycled materials intended for use as recycled fiber by a person that makes paper, pulp, or paperboard from wastepaper, if the waste material cannot be used to make paper, pulp, or paperboard. These wastes are assessed \$5.997 per ton in state tipping fees. In calendar years 2005 through 2017, a total of 658,200 tons was exempt from the recycling tipping fee under the provision, including 72,800 tons in 2016 and 85,400 tons in 2017.

Waste From Nonprofits With Recycling Programs. 1999 Act 9 exempted solid waste from the recycling tipping fee if it is disposed of by a non-profit organization that provides services and programs for people with disabilities, or that primarily serves low-income persons, and that derives a portion of its income from the operation of recycling and reuse programs. Exempt waste must not be commingled with waste subject to the tipping fee. These wastes are assessed \$5.997 per ton in state tipping fees. In calendar years 2009 (the first year DNR tracked this exemption separately) through 2017, a total of 133,300 tons were exempt from the recycling tipping fee under the provision, including 23,400 tons in 2016 and 27,200 tons in 2017.

Mining Waste. Ferrous (iron) and nonferrous mining wastes disposed of in mining waste landfills are subject to lower tipping fees than the fee rates shown in Table 1. Ferrous prospecting or mining wastes and nonferrous mining wastes disposed at a site covered by a mining permit are subject to tipping fees of 2.7¢ per ton, including 1¢ for environmental repair, 1¢ for groundwater and 0.7¢ for the waste facility siting fee. No mining waste was disposed of in the state in recent years.

Waste Partially Exempt from State Statutory Tipping Fees

Materials Recovery Facility Waste Residue. 2013 Wisconsin Act 301 exempts certain residual nonrecyclable waste from qualified materials recovery facilities (MRFs) from all state tipping fees, effective with waste disposed of on or after January 1, 2015. DNR assesses this waste the \$0.15 per ton landfill license surcharge under administrative code. The exemption is subject to the following caps: (a) for a construction and demolition MRF, 30% of the total weight of material accepted by the facility; and (b) for any other MRF, 10% of the total weight of material accepted by the facility.

A qualified materials recovery facility is defined as either: (a) a facility where the recyclable materials that are banned from landfills, such as aluminum or glass containers, newspaper, and cardboard, and that are not mixed with other solid waste, are processed for reuse or recycling, provided the operator of the MRF is self-certified under administrative code NR 544.16, and the facility is in compliance with its approved plan of operation; or (b) a facility at which materials generated by construction, demolition, and remodeling of structures are processed for recycling if the facility is licensed under Chapter 289 of the statutes as a solid waste processing facility, the approved plan of operation for the facility requires the reporting of the volume or weight of materials processed, recycled, and discarded as residue, and the facility is in compliance with its approved plan of operation.

In calendar years 2015 (the first year of the exemption) through 2017, a total of 457,800 tons were exempt from statutory tipping fees under the provision, including 160,300 tons in 2016 and 173,000 tons in 2017.

Waste Generator Bad Debt. 2013 Act 301 exempts certain waste generator bad debt from all state statutory tipping fees. DNR assesses this waste the \$0.15 landfill license surcharge under administrative code. Effective with waste disposed of on or

after January 1, 2015, if a person who disposes of solid waste at a licensed solid waste facility (landfill) or hazardous waste disposal facility fails to pay the tipping fees and the disposal charges imposed by the landfill operator within 120 days after the date of disposal, the landfill owner or operator may submit an affidavit to DNR that includes the following: (a) identifying information for the person that failed to pay the tipping fees; (b) a description of the efforts made to collect the overdue fees; and (c) a commitment that the operator will not accept any more solid waste from the person until the overdue tipping fees are paid.

When DNR receives the affidavit, the Department is required to: (a) refund any amount of the overdue tipping fees that the owner or operator paid to DNR for the person; and (b) grant a waiver to the owner or operator from the requirement to pay DNR any more of the overdue tipping fees owed by the person. If the person later pays the overdue tipping fees to the owner or operator, the owner or operator would be required to pay the tipping fees it receives to DNR. In September, 2018, DNR received the first submittal from a landfill owner or operator to claim an exemption under the provision.

Waste Exempt from All State Tipping Fees

Landfill Daily Cover. Solid waste is exempt from all state statutory tipping fees if it is used by landfills for daily cover, capping or constructing berms, dikes or roads in the facility, if the purpose is approved by DNR and the waste is used in the approved way. In addition, DNR also exempts the waste from the \$0.15 per ton landfill license surcharge. Exempt material can include industrial waste, shredder fluff, treated contaminated soil, and other approved wastes used for daily cover. This included 1,737,700 tons in 2016 and 1,553,000 tons in 2017.

Waste from Natural Disasters. A provision in 2011 Act 32, effective July 1, 2011, exempted from all state statutory tipping fees certain waste generated from a severe natural or human-caused

flood, or a severe tornado, heavy rain, or storm. In addition, DNR exempts the waste from the \$0.15 per ton landfill license surcharge. The statutes provide the exemption if all of the following apply: (a) the natural disaster resulted in a federal or state declaration of disaster; (b) the solid waste materials generated in the natural disaster were disposed of in a landfill within 60 days after the occurrence of the natural disaster; (c) the solid waste materials were generated within a municipality that was included in the federal or state disaster declaration; and (d) the solid waste materials were removed as part of the disaster recovery effort and were segregated from other solid wastes when delivered to the landfill. In calendar years 2011 through 2017, 900 tons were exempt from all state tipping fees under the provision, including 300 in 2014, no tons in 2015, under 100 in 2016, and 200 in 2017.

Waiver from Fees for Certain Waste Removal Activities. Under 2013 Wisconsin Act 333, effective April 25, 2014, DNR is authorized to grant a waiver from all state tipping fees to a person who the Department requests to participate in waste removal activities to mitigate potential environmental impacts. DNR has determined that it would also grant a waiver from the \$0.15 landfill license surcharge fee. The Department is required to first determine that granting a waiver from the fees will provide an incentive for the person to participate in those activities. The waiver covers only the fees for the solid or hazardous waste disposed of as a result of the waste removal activities requested by DNR. In 2014, DNR was aware of a bankrupt facility near Beloit where up to 25,000 tons of waste might qualify for an exemption of up to approximately \$325,000 in state tipping fees. However, as of December 1, 2018, the exemption has not been used at this site, or at any other site in the state.

Other Account Revenues

In addition to the \$9.64 per ton state tipping

Table 5: Environmental Fund Revenues for the Environmental Management Account, 2014-15 through 2017-18

Revenue Source	2015-16	2016-17	2017-18
Recycling Tipping Fee*	\$34,578,400	\$35,205,700	\$37,421,100
Environmental Repair Tipping Fee *	13,910,900	12,901,400	14,264,600
Groundwater Tipping Fee *	691,000	656,300	684,700
Well Compensation Tipping Fee *	276,400	256,700	273,900
Transfer to Nonpoint Account	0	0	-3,652,500
Petroleum Inspection Fund	1,704,800	1,704,800	1,704,800
Pesticide and Fertilizer Fees	1,591,800	1,591,900	1,574,000
Hazardous Waste Generator Fee	1,161,500	881,200	1,093,000
Site-Specific (Fox River) Remediation	97,200	1,156,300	195,400
Sanitary Permit Groundwater Fee	283,400	276,300	312,400
Hazardous Spill Reimbursement	45,200	62,600	19,800
Electronics Recycling Fees	413,500	393,600	370,500
Nonmetallic Mining Fee	211,000	218,400	214,100
Environmental Assessment	96,400	158,000	81,700
Land Disposal Permit	75,500	57,500	58,000
Civil Action Damages	5,400	1,000	5,000
Bulk Tank Surcharge	59,000	74,300	76,600
Septic System Servicing Fee	3,000	38,900	2,900
Environmental Repair Base Fee and Surcharge	2,100	3,000	2,000
Investment Income	-1,100	50,800	59,200
Miscellaneous Revenue	183,700	51,700	53,800
Additional Prior Year Collections *	0	7,870,400	9,848,200
Billed Amounts Outstanding on June 30 *	<u>-7,956,500</u>	<u>-9,761,700</u>	<u>-6,809,300</u>
Total	\$47,432,600	\$53,849,100	\$57,853,900

*Tipping fee revenues reflect amounts billed, with adjustments shown for previously billed amounts collected and current billings not received by the close of the fiscal year.

fee, several other sources provide the remaining 10% of revenues deposited in the environmental management account in the 2017-19 biennium. These revenues include a transfer from the segregated petroleum inspection fund, several license and other environmental fees, and revenues received for designated purposes.

Table 5 shows the actual amount of revenue received in the environmental management account from every revenue source from 2015-16 through 2017-18.

Petroleum Inspection Fund. An annual transfer of \$1,704,800 is made from the segregated petroleum inspection fund to the environmental management account. A petroleum inspection fee of

2¢ per gallon is assessed on all petroleum products brought into the state. The fee generated \$79.7 million in 2017-18. Petroleum inspection fee revenues are deposited in the segregated petroleum inspection fund and are used, in part, to fund cleanup of petroleum-contaminated sites under the Petroleum Environmental Cleanup Fund Award (PECFA) program. [For more information on the other uses of the petroleum inspection fund, see the Legislative Fiscal Bureau information paper entitled, "Petroleum Environmental Cleanup Fund Award (PECFA) Program."]

Pesticide and Fertilizer Fees. License fees are assessed annually on manufacturers and labelers of pesticides and collected by DATCP. Under 2017 Act 59, the pesticide and fertilizer fee

schedule was simplified by setting a uniform transfer of \$108 per pesticide product license, regardless of type, to the environmental management account and repealing the surcharge for non-household pesticide products used as wood preservatives.

Producers of pesticides must pay a well compensation fee of \$150 annually, which DATCP deposits into the environmental management account.

Finally, persons who sell or distribute fertilizer or who distribute a soil or plant additive in Wisconsin are required to pay a groundwater fee of 10¢ per ton of fertilizer, with a minimum fee of \$1 for aggregate sales of 10 tons or less. Fees are deposited in the environmental management account.

Hazardous Waste Generator Fee. A \$350 base fee for small-quantity generators or \$470 for large-quantity generators plus \$20 per ton is charged to all generators of hazardous waste that are required to report annually to DNR under the state's hazardous waste law. Producers of at least 220 pounds of hazardous waste in any month report annually and pay both the base fee and tonnage fee, but are exempt from the tonnage fee if the waste is: (a) recovered for recycling or reuse; (b) leachate being transported to a wastewater treatment plant; or (c) removed from the site as part of an environmental cleanup project. The maximum fee for a single generator is \$17,500.

Site-Specific (Fox River) Remediation. Certain revenues are deposited in the environmental management account for remediation at specific sites. The moneys can only be expended for the purposes received and are not available for other appropriations from the account. The revenues include all moneys received: (a) in settlement of actions initiated under federal CERCLA regulations (Comprehensive Environmental Response, Compensation and Liability Act); and (b) all moneys received under court-approved settlement

agreements or orders, in settlement of actions or proposed actions for violations of environmental statutes, that are designated to be used to restore or develop environmental resources, to provide restitution or to make expenditures required under the order or agreement. Almost all of the revenues received to date relate to cleanup of PCBs in a stretch of the Fox River from Lake Winnebago to Green Bay.

Sanitary Permit Groundwater Fee. Local governments are required to issue a sanitary permit and charge a fee before a person may install any private onsite wastewater treatment system. In addition, the local government that issues the sanitary permit is required to collect a \$25 groundwater fee and pay it to the Department of Safety and Professional Services (DSPS), which then deposits the groundwater fee in the environmental management account. DSPS rules require the local government to charge a sanitary permit fee that totals at least \$141, and send \$100 of the total to DSPS. The \$100 includes the \$25 groundwater fee deposited in the environmental management account, and \$75 deposited in a DSPS program revenue account for DSPS administration of the sanitary permit program. (The local government keeps \$41 of the \$141, or more if the local government sets a higher total fee.)

Hazardous Spill Reimbursement. When DNR cleans up hazardous substances spills with state funds, it seeks compensation from responsible parties. The compensation is deposited in the environmental management account and varies considerably by year. DNR may also recover its costs of remedying adverse effects upon the waters of the state resulting from the unlawful discharge or deposit of pollutants in the waters.

Electronics Recycling Fees. Manufacturers of certain electronics devices (such as televisions, computers, computer monitors, facsimile machines, digital video disc players, and video cassette recorders) are required to register with DNR and pay annual registration fees based on the

number of covered electronic devices sold in the state in the previous program year. The fees include: (a) \$0, if fewer than 25 devices were sold; (b) \$1,250 if 25 to 249 devices were sold; and (c) \$5,000 if at least 250 devices were sold. A manufacturer also pays a shortfall fee if it does not meet its recycling target, that is, it recycles fewer electronic devices than it sells. The electronics recycling fees can only be used for administration of the electronics recycling program and are not available for expenditure by other appropriations under the environmental management account.

Nonmetallic Mining Fee. 71 counties were required to enact and administer a nonmetallic (generally sand and gravel) mining reclamation ordinance for closure and restoration of the mine site. Milwaukee County is not required to adopt an ordinance because all municipalities within the county with sand or gravel mines adopted ordinances. In addition to the county requirement, towns, villages and cities may adopt and administer local mining reclamation ordinances. A county or municipality with an ordinance collects annual fees to cover the local and DNR costs of administering the reclamation program. The DNR share of the fees, established in administrative rule, equals \$35 to \$175, depending on the mine size in unreclaimed acres. The counties and municipalities collect the DNR share of fees and pay them to DNR for deposit in the environmental management account.

Environmental Assessment. When a court imposes a fine or forfeiture for violation of administrative rules or DNR orders related to pollution discharge, drinking water or septic tank statutes, it also imposes an environmental assessment. The court transfers the assessment to DNR and DNR deposits the assessment in the environmental fund. The assessment is equal to 20% of the fine or forfeiture for violations that occurred on or after July 1, 2009 (10% before that date). Prior to July 1, 2015, 70% of the 20% assessments were deposited in the University of Wisconsin System's environmental education appropriation within the

environmental management account, and were used to fund environmental education grants. Under 2015 Wisconsin Act 55, the transfer of environmental surcharge revenues to the UW appropriation was repealed as of July 1, 2015. Currently, environmental assessment revenues are available for any of the appropriations in the account.

Land Disposal Permit. Persons who discharge certain pollutants into the waters of the state are required to obtain a water pollutant discharge elimination system permit from DNR. The permit holder is also required to pay a \$100 annual groundwater fee to DNR if the permittee discharges effluent on land or produces sludge from a treatment work that is disposed of on land. The permittee is required to pay a \$200 annual groundwater fee if the permittee discharges effluent on land and disposes of sludge from a treatment work on land.

Civil Action Damages. The account receives compensation resulting from court-ordered payments by responsible parties for specific cleanup activities.

Bulk Tank Surcharge. Persons must receive approval from DATCP of plans for installation of, or change in the operation of a previously approved installation for, the storage, handling or use of flammable or combustible liquids. In addition to any plan review fees paid to DATCP for administration of the program, a groundwater fee of \$100 per plan review submittal for tanks with a capacity of 1,000 gallons or more is collected and deposited in the environmental management account.

Septic System Servicing Fee. Persons who remove and dispose of septage from septic tanks, soil absorption fields, holding tanks, grease traps or privies must pay DNR a septic servicing groundwater fee of \$100 for a two-year period. DNR deposits the fee in the environmental management account. In addition, DNR collects

program revenue fees of \$50 per resident servicing vehicle for two years, which are used for administration of septage programs.

Environmental Repair Base Fee and Surcharge. Owners of approved solid waste facilities do not pay a base fee or surcharge. Two different annual base fees for nonapproved (certain older) landfill facilities are deposited in the environmental management account. If the owner of a nonapproved facility signed an agreement with DNR to close the landfill on or before July 1, 1999, the annual base fee is \$100. If no closure agreement was signed, the annual base fee is \$1,000. The amount of the base fee is deducted from the tipping fees for nonapproved facilities.

Nonapproved facilities also pay an environmental repair surcharge equal to 25% of the nonapproved facility tipping fee described in the earlier section on tipping fees, if the facility has a closure agreement (0.375¢ per ton, or 25% of 1.5¢), or 50% of the tipping fee if the facility does not have a closure agreement (0.75¢ per ton, or 50% of 1.5¢).

Cooperative Remedial Action. DNR is authorized to seek and receive voluntary contributions of funds from a municipality or any other public or private source for all or part of the costs of remedying environmental contamination if the activities being funded are part of a cooperative effort by DNR and the person providing the funds, to remedy the contamination. Any funds received are deposited into the environmental management account. Any cooperative remedial action revenues may only be used for the activities agreed on by DNR and the person providing the funds. No revenues were received from this source in 2014-15 through 2017-18.

Investment Income. Interest income earned on state investments is distributed to various funds, including the environmental management account, based on its monthly cash balance.

Miscellaneous Revenue. The account sometimes receives small revenues from other sources, such as refunds of prior year expenditures, and sales of photocopies and publications.

Environmental Management Account Condition

Table 6 shows the condition of the environmental management account in 2015-16 through 2018-19. The table shows actual revenues and expenditures for 2015-16 through 2017-18, and estimated revenues and expenditures for 2018-19. In 2017-18, revenues totaled \$57.9 million and expenditures totaled \$49.6 million. In 2018-19, revenues are expected to total approximately \$54.9 million, with \$53.4 million in anticipated expenditures. A total of 107.45 positions are authorized in 2018-19, including 105.45 at DNR and 2.0 at the Department of Health Services.

Based on authorized expenditures, Table 6 indicates the June 30, 2019, unencumbered balance would be approximately \$10.1 million.

Expenditures

This section describes the uses of the appropriations from the environmental management account. Approximately 39% of 2018-19 anticipated expenditures are for municipal and county recycling grants, 23% for debt service payments for general obligation bonds, and 29% for DNR administration of environmental and recycling programs. The remaining 9% of budgeted expenditures are used for contaminated land cleanup and programs funded in other state agencies. These percentages exclude the amounts anticipated to be spent on site-specific remediation.

Table 6: Environmental Management Account Condition

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Base Funding	2018-19 Staff
Opening Balance -- July 1	\$20,338,800	\$12,585,800	\$13,445,800	\$21,687,000	
Revenues					
Solid Waste Tipping Fees - Recycling ⁽¹⁾	\$34,578,400	\$35,205,700	\$37,421,100	\$36,820,000	
Solid Waste Tipping Fees - Environmental ⁽¹⁾	14,878,300	13,814,400	15,223,200	14,688,000	
Transfer to Nonpoint Account	0	0	-3,652,500	-3,652,500	
Transfer from Petroleum Inspection Fund	1,704,800	1,704,800	1,704,800	1,704,800	
Pesticide and Fertilizer Fees	1,591,800	1,591,900	1,574,000	1,610,000	
Hazardous Waste Generator Fees	1,161,500	881,200	1,093,000	900,000	
Site-Specific Remediation	97,200	1,156,300	195,400	100,000	
Other Fees and Income	1,377,100	1,386,100	1,256,000	1,926,000	
Additional Prior Year Collections ⁽¹⁾	0	7,870,400	9,848,200	6,809,300	
Billed Amounts Outstanding on June 30 ⁽¹⁾	<u>-7,956,500</u>	<u>-9,761,700</u>	<u>-6,809,300</u>	<u>-5,973,200</u>	
Total Revenue	\$47,432,600	\$53,849,100	\$57,853,900	\$54,932,400	
Total Revenue Available	\$67,771,400	\$66,434,900	\$71,299,700	\$76,619,400	
Expenditures					
DNR Recycling Grants to Local Governments	\$19,000,000	\$20,000,000	\$20,000,000	\$20,000,000	
DNR Programs and Operations	13,052,500	13,988,800	12,498,000	14,688,300	105.45
DNR Cleanup or Well Grants	1,988,900	1,398,100	1,565,000	2,492,700	
DNR Site-Specific Remediation	691,700	2,243,700	2,511,600	2,000,000	
Debt Service for General Obligation Bonds	18,305,500	13,030,400	10,567,200	11,586,800	
WEDC Brownfields Grants	1,000,000	1,000,000	1,000,000	1,000,000	
Other Agencies ⁽²⁾	1,147,000	1,328,100	1,470,900	1,068,600	2.00
Expenditure of Prior Year Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>561,700</u>	
Total Expenditures	\$55,185,600	\$52,989,100	\$49,612,700	\$53,398,100	107.45
Cash Balance	\$12,585,800	\$13,445,800	\$21,687,000	\$23,221,300	
Encumbrances, Continuing Balances ⁽³⁾	-\$16,998,200	-\$16,335,200	-\$15,582,100	-\$13,080,400	
Closing Available Balance -- June 30	-\$4,412,400	-\$2,889,400	\$6,104,900	\$10,140,900	

⁽¹⁾ Tipping fee revenues reflect amounts billed, with adjustments shown for previously billed amounts collected and current billings not received by the close of the fiscal year.

⁽²⁾ Includes Department of Health Services groundwater and air quality standards, Department of Military Affairs emergency response training.

⁽³⁾ In 2017-18, includes \$6.6 million for DNR state-funded cleanup, \$6.5 million for DNR site-specific remediation, \$0.7 million for DATCP clean sweep grants, \$0.7 million for DNR well compensation, \$0.5 million for electronics recycling, \$0.3 million for a hydrologic study, and \$0.3 million for other programs.

The Appendix shows all appropriations from the environmental management account. For every appropriation, the Appendix shows the statutory Chapter 20 reference, actual expenditures for 2015-16, 2016-17, and 2017-18, the base funding amount for 2018-19 (estimated amount for debt service appropriations), and the authorized number of positions in 2018-19.

DNR Operations

Environmental Management Division Operations. In the 2017 departmental reorganization, the Air, Waste, and Remediation and Redevelopment Division and portions of the Water Division were reorganized into the new Environmental Management Division. The environmental management account operations appropriations fund 65.07 administrative positions in the Environmental Management Division. This includes a larger Division operations appropriation with 62.07 positions and a smaller brownfields operations appropriation with 3.0 positions. The positions funded from the account in the Division include hydrogeologists, waste specialists, engineers, budget and outreach specialists, program assistants, and supervisors. The Division also receives funding from other sources, including general purpose revenues (GPR), federal grants, program revenues (PR), the segregated (SEG) petroleum inspection fund, and the segregated dry cleaner environmental response fund.

In the Remediation and Redevelopment program, the operations appropriations fund 22.5 positions that administer contaminated land cleanup programs, state statutes and regulations related to hazardous substances cleanup, state-funded cleanup activities, contaminated sediment removal projects, outreach to persons who are required to cleanup contamination, technical assistance, and outreach.

In the Waste and Materials Management program, the appropriation funds 11.0 positions that administer management and proper disposal of

solid and hazardous waste.

In the Air Management program, the appropriation funds 2.0 positions that monitor industrial sand mining activities.

In the Drinking Water and Groundwater program, the appropriation funds 19.04 positions to work on groundwater policy development, research and standards development, water supply issues, high-capacity well review, public and private water supply issues, and water use issues.

The appropriation funds 10.53 positions in the Water Quality program to manage activities such as wastewater permit issuance, water quality monitoring, and Great Lakes issues.

Recycling Operations. A separate environmental management account appropriation, funded from the recycling fund prior to 2011-12, funds 13.5 positions in the Environmental Management Division for administration of recycling programs. These activities include policy development, technical assistance and outreach to local governments, enforcement of compliance with local government recycling program requirements, processing applications for the municipal and county recycling grant program, and performing informational and educational functions.

For more information about DNR's recycling programs, see the separate Legislative Fiscal Bureau informational paper entitled, "Recycling Financial Assistance Programs."

Electronic Waste Recycling Administration. The account includes 1.0 position in a separate appropriation for electronics recycling operations. The appropriation is authorized to spend all monies received from electronics recycling revenues, and only on electronics recycling.

Law Enforcement Operations. The account funds 13.48 environmental enforcement specialists, wardens, and supervisory positions that are

responsible for maintaining compliance of facilities and persons with environmental statutes, resolving civil violations of environmental laws, issuing notices of environmental violations, and investigating environmental violations.

Internal Services Division Operations. The account funds 1.99 positions in departmentwide administrative functions, including in finance, customer service and licensing, communication and education, community financial assistance, and program management.

External Services Division Operations. The account funds 7.91 positions in departmentwide administrative functions, including: (a) 4.0 positions in the Office of Environmental Analysis and Sustainability; (b) 0.87 position in the Office of Communications; (c) 0.87 position in Community Financial Assistance; (d) 1.74 positions in Customer Service; and (e) 0.43 position in divisionwide management.

Recycling Administration and Recycling Grants Administration. The account has two departmentwide recycling administrative appropriations. It funds 2.0 positions in the External Services Division in the Bureau of Community Financial Assistance that are responsible for recycling grants administration. It also funds 0.5 position in the Internal Services Division for accounting, purchasing, and other financial management recycling-related activities.

DNR Cleanup and Recycling Assistance

Municipal and County Recycling Grants. The municipal and county recycling grant program provides financial assistance to local governments for a portion of the costs to operate an eligible effective recycling program. It is the largest use of the environmental management account. It was appropriated \$18 million in 2015-16 and \$19 million annually in 2016-17 through 2018-19.

Recycling Consolidation Grants. The

recycling consolidation grant program provides financial assistance to local governments that operate effective recycling programs, are counties, or meet certain criteria, such as entering into cooperative agreements with other local governments for joint provision of recycling programs. The program is appropriated \$1 million annually.

State-Funded Contaminated Land Cleanup. DNR administers a state-funded response appropriation through the environmental management account. The appropriation had \$10,376,400 available for expenditures in the 2017-19 biennium. This included expenditure authority of \$2,292,700 in 2017-18 and \$2,292,700 in 2018-19, encumbrances at the beginning of 2017-18 totaling \$1,073,200 and an unencumbered carry-in balance of \$4,717,800. Expenditures from the appropriation totaled \$1,300,400 in 2016-17 and \$1,441,700 in 2017-18.

The appropriation is used for DNR expenditures related to: (a) DNR-led cleanups of contaminated sites where the responsible party is unknown or cannot or will not clean up the site; (b) the state share at certain federal Superfund site cleanups; (c) the state match to federal Leaking Underground Storage Tank (LUST) expenditures; (d) emergency spill response and cleanups; (e) response and cleanup of abandoned containers of hazardous substances where the responsible party cannot be identified; (f) provision of temporary emergency water supplies; (g) replacement of contaminated wells if the household meets certain income and eligibility criteria; (h) DNR-led remedial actions at abandoned privately-owned landfills; (i) DNR-led cleanups resulting from responsible party payment of court settlements; and (j) limited-term employee costs related to DNR-led cleanups.

Well Compensation Grants. DNR provides grants for replacing, reconstructing, or treating contaminated wells that serve certain private residences or are used for watering livestock. Grants can also pay costs of well abandonment. DNR

must determine that the well meets certain eligibility criteria related to contamination from substances such as chemicals, heavy metals, volatile organic compounds, industrial solvents, gasoline, fuel oil, paint, and pesticides. Under certain circumstances, eligibility includes contamination from arsenic or livestock fecal bacteria.

Grant recipients must have family income that does not exceed \$65,000. The grant is 75% of eligible costs, with eligible costs not to exceed \$16,000 (\$12,000 prior to enactment of 2017 Wisconsin Act 69, effective November 29, 2017). This is equal to a maximum grant of \$12,000 (\$9,000 prior to enactment of 2017 Act 69). Grant recipients must pay a \$250 copayment, unless the grant is for well abandonment.

The appropriation had \$976,800 available during the 2017-19 biennium for expenditures, including \$200,000 in 2017-18 and \$200,000 in 2018-19, and an unencumbered carry-in balance of \$576,800. In 2016-17, DNR awarded six well compensation grants totaling \$50,100, and 55 well abandonment grants totaling \$62,200. In 2017-18, DNR awarded six well compensation grants totaling \$58,600, and 55 well abandonment grants totaling \$59,800. Some grants may be spent in the subsequent fiscal year or final expenses may be less than the initial award. Expenditures from the appropriation were \$97,700 in 2016-17 and \$123,300 in 2017-18.

Site-Specific Remediation. A separate appropriation can only spend revenues received for site-specific remediation activities, and can only be used for those remediation activities.

Cooperative Remedial Action. This appropriation can only spend revenues received from voluntary contributions from parties who are working on a cooperative remediation project with DNR, and can only be spent for the activities agreed on by DNR and the person providing the funds.

Groundwater Management. A biennial

appropriation funds groundwater monitoring and research projects identified and selected through efforts of the Groundwater Coordinating Council. The Council is a statutorily mandated body that coordinates efforts of DNR and several other state agencies related to regulation and management of groundwater. The projects funded by the appropriation provide information to further groundwater management in the state.

Hydrologic Evaluation and Modeling. Under 2017 Act 59, \$400,000 was appropriated in 2017-18, in a continuing appropriation, to evaluate and model the hydrology of Pleasant Lake in Waushara County, Plainfield Lake and Long Lake in a designated study area, and other navigable streams or navigable lakes DNR seeks to determine whether existing and potential groundwater withdrawals are causing or are likely to cause a significant reduction of the rate of flow or water level below its average seasonal levels. As required, DNR began the study in the spring of 2018. DNR is required to submit a report with specified information to the Legislature within three years after beginning the study.

Village of Plover Grant. Under 2017 Act 59, DNR is required to award a grant of \$100,000 to the Village of Plover in the 2017-19 biennium, from a one-time biennial appropriation from the environmental management account. The Village of Plover is required to use the funds to employ an engineering consulting firm and other experts qualified in wetland restoration and watershed enhancement to design solutions to increase the flow of the Little Plover River.

Indemnification Agreements. Under 1999 Act 9, DNR is authorized to enter into an agreement with a municipality to indemnify the municipality from liability related to the disposal of certain PCB-contaminated sediments from the Great Lakes basin. Any such indemnification would be paid from a sum-sufficient appropriation from the environmental management account. No

Table 7: General Obligation Bond Debt Service Payments from the Environmental Management Account

Year	Contaminated Land and Sediment	Harbor Sediment Cleanup	Administrative Facilities	Water Pollution Abatement	Total
2008-09	\$3,698,100		\$405,400		\$4,103,500
2009-10	3,868,000	\$381,800	477,100		4,726,900
2010-11	3,679,800	277,000	496,600	\$8,000,000	12,453,400
2011-12	3,734,000	642,400	518,900	3,801,900	8,697,200
2012-13	3,917,500	909,600	591,200	8,000,000	13,418,300
2013-14	3,421,600	1,410,900	665,800	8,000,000	13,498,300
2014-15	3,098,000	1,370,100	660,800	8,000,000	13,128,900
2015-16	3,130,900	1,593,600	680,300	12,900,700	18,305,500
2016-17	3,047,900	1,807,900	662,500	7,512,100	13,030,400
2017-18	2,675,000	1,418,300	680,300	5,793,600	10,567,200
2018-19*	2,609,900	1,899,500	716,100	6,361,300	11,586,800

*Estimated.

agreements have been entered into subsequent to enactment of the provision, and no indemnification has been paid. However, it is still possible that an agreement could be entered into, and indemnification payments could be made in the future.

DNR Debt Service

The environmental management account includes four appropriations for debt service costs associated with issuance of general obligation bonds. Table 7 shows the 10 years of actual debt service costs from 2008-09 through 2017-18 and the estimated amounts for 2018-19. Descriptions of the uses of the general obligation bonds follow.

Contaminated Land and Sediment Cleanup. An environmental management account appropriation pays debt service for general obligation bonds issued for remedial action of contaminated land and contaminated sediment cleanup. Of the total \$57 million in authorized general obligation bonding authority, DNR is authorized \$50 million to fund the state's cost-share for cleanup of federal Superfund and LUST sites and state-funded cleanups under the environmental repair statute (s. 292.31) and hazardous substances spills statute (s. 292.11). The remaining \$7 million in general

obligation bonding is statutorily designated for contaminated sediment cleanup in Lake Michigan or Lake Superior or a tributary of one of the two lakes.

Bonding authority can be used for public-purpose projects such as cleanup of contaminated groundwater, soils and sediments, and activities such as investigation, remedial design and cleanup of a specific site when the responsible party is unknown, unable or unwilling to fund the cleanup. Bonding authority cannot be used for general preliminary investigations or cleanups funded by responsible parties.

DNR has expended or encumbered \$44.8 million of the available \$50 million in remediation bonding authority as of June 30, 2018. DNR expended or encumbered all of the available \$7 million in contaminated sediment authority prior to June 30, 2012.

The debt service for the two purposes is paid from a sum-sufficient appropriation, meaning the amounts budgeted are estimates, but the appropriation pays whatever the actual bond repayment costs are.

In 2017-18, expenditures of \$2.7 million SEG for general obligation bond debt service were reported for contaminated land and sediment cleanup.

Great Lakes Harbor Contaminated Sediment Cleanup. 2007 Wisconsin Act 20 authorized DNR to use general obligation bonding authority, with debt service paid from the environmental management account, for removal of contaminated sediment from Lake Michigan or Lake Superior or their tributaries if the project is in a water body that DNR has identified, under the federal Clean Water Act, as being impaired and the source of the impairment is contaminated sediment. DNR has been authorized a cumulative \$32 million in general obligation bonding authority.

As of September 30, 2018, DNR had expended or encumbered \$26.0 million of the available \$32 million. The funding used under this provision included: (a) \$7.6 million to clean up contaminated sediment in the Kinnickinnic River in Milwaukee; (b) \$13.1 million to clean up PCB-contaminated sediment in the Estabrook Park impoundment on the Milwaukee River north of the Estabrook Dam in 2010 through 2015; (c) \$3.3 million for Sheboygan harbor cleanup projects during 2012 through 2014; (d) \$1.5 million for a Marinette harbor arsenic cleanup project in 2014 through 2015; and (e) \$0.5 million for Portage Canal cleanup in 2016. There is \$6.0 million in remaining bonding in the program, which DNR plans to commit toward up to \$28.8 million in potential costs at projects in Milwaukee and Superior.

In 2017-18, expenditures of \$1.4 million SEG for general obligation bond debt service were reported for contaminated Great Lakes harbor sediment cleanup. Table 7 shows debt service costs for this purpose since expenditures were first incurred in 2009-10.

Administrative Facilities. Funding is budgeted to pay the debt service costs of bonds issued to construct certain DNR administrative buildings.

DNR allocates the costs from the appropriation to the environmental management account (86.72%) and the nonpoint account (13.28%) in the 2017-19 biennium, based on the same percentage of employees funded from each of the two accounts to the total number of employees funded from the environmental fund. In 2017-18, expenditures for this purpose were \$680,300. A separate appropriation from the segregated conservation fund also pays a portion of administrative debt service costs.

Water Pollution Abatement. 2009 Act 28 created a sum-certain appropriation in the account to be used for \$8,000,000 annually in debt service costs formerly paid from GPR for bonds issued under the former water pollution abatement grant program. The program provided grants to municipalities for wastewater treatment system construction from 1978 to 1990. The clean water fund program, within the environmental improvement fund, replaced the former program, and began providing low-interest loans to municipalities for wastewater treatment systems in 1991.

In 2010-11 and 2012-13 through 2014-15, the first \$8,000,000 in annual debt service costs was paid from the environmental management account, and the remainder was paid from a GPR appropriation. However, in 2011-12, the SEG appropriation expenses were \$3.8 million instead of \$8 million, because the state refinanced several general obligation bonds to defer payment of most principal payments.

Under 2015 Wisconsin Act 55, beginning in 2015-16, the SEG appropriation was converted to a sum-sufficient, and the additional debt service expenditures were shifted from GPR to SEG. In 2017-18, expenditures of \$5,793,600 were reported for debt service for the water pollution abatement appropriation from the environmental management account.

Other State Agencies

DATCP Clean Sweep Grants. The Department

of Agriculture, Trade and Consumer Protection (DATCP) administers the clean sweep program, which provides grants to counties and municipalities for the collection of pesticides, farm chemicals, and hazardous wastes from farmers, businesses, households, schools and government agencies. Base funding for the program in the 2017-19 biennium is \$750,000 SEG annually from the environmental management account. For more information, see the Legislative Fiscal Bureau informational paper entitled, "Recycling Financial Assistance Programs."

Department of Health Services. The Department of Health Services (DHS) is budgeted \$311,000 SEG in 2018-19 from the environmental management account to support 2.0 positions that conduct activities related to air and groundwater quality standards. DHS staff aid DNR in developing quality and enforcement standards, monitor health outcomes related to groundwater quality, and conduct outreach and educational activities on health risks posed by groundwater contamination.

Department of Military Affairs. The Department of Military Affairs utilizes \$7,600 annually from the environmental management account, in conjunction with GPR and federal Hazardous Materials (HazMat) Emergency Planning grant funding, to provide grants to local emergency planning committees for hazardous materials response equipment and to support state-conducted training sessions for local HazMat response teams. Local emergency planning committees coordinate the efforts and resources of local HazMat response teams and prepare county-specific planning programs to improve hazardous materials response.

UW System Institute for Sustainable Technology. Under 2017 Act 59, \$440,000 was appropriated in 2017-18 from the environmental management account, on a one-time basis, for the Wisconsin Institute for Sustainable Technology (WIST) at UW-Stevens Point. WIST provides research, laboratory services, and education for business and industry with a goal of improving the environment and economy.

Wisconsin Economic Development Corporation. The Wisconsin Economic Development Corporation (WEDC) is appropriated \$1,000,000 annually from the environmental management account for brownfield site assessment grants. WEDC may provide grants to certain local governmental units to conduct initial environmental assessments of potential environmental contamination and for demolition activities on an eligible abandoned, idle or underutilized industrial or commercial site. For more information about WEDC and the program, see the Legislative Fiscal Bureau informational paper entitled, "Wisconsin Economic Development Corporation."

Inactive and Recently Repealed Appropriations

Several appropriations from the environmental management account have recently been repealed, or they remain in the statutes but are inactive and have not been used for several years. Additional information about these appropriations is available in the 2017 Legislative Fiscal Bureau Informational Paper #62 entitled, "Environmental Management Account."

APPENDIX

Environmental Management Account Appropriations 2015-16 Through 2018-19

Agency/Statutory Citation	Appropriation Name	2015-16 Expenditures	2016-17 Expenditures	2016-17 Positions	2017-18 Expenditures	2018-19 Base Funding	2018-19 Positions
Natural Resources (DNR)							
DNR Operations:							
(4)(mq)	* Environmental management operations	\$6,149,981	\$7,173,273	63.07	\$5,833,197	\$7,015,000	62.07
(4)(mv)	* Brownfields operations	263,189	106	3.00	188,753	299,700	3.00
(4)(hq)	* Recycling administration	1,279,298	1,279,370	13.50	826,004	1,510,900	13.50
(4)(hr)	** Electronic waste recycling administration	320,528	360,473	1.00	276,476	350,000	1.00
(3)(mq)	* Enforcement operations	2,120,599	2,304,943	17.98	1,840,700	1,770,600	13.48
(8)(mv)	* Administration and technology operations	1,362,435	1,381,985	0.52	2,036,825	2,066,000	1.99
(9)(mv)	* Customer assistance and external relations operations	884,019	884,019	4.09	886,000	907,700	7.91
(9)(is)	* State recycling grants administration	216,300	52,366	2.00	48,501	218,800	2.00
(8)(iw)	* Statewide recycling administration	426,200	434,400	0.50	447,100	457,700	0.50
DNR Cleanup and Recycling Assistance:							
(6)(bu)	Recycling financial assistance for responsible units	17,999,985	18,999,982		18,999,995	19,000,000	
(6)(bw)	Recycling consolidation grants	999,999	1,000,000		1,000,000	1,000,000	
(4)(dv)	* Environmental repair; spills; abandoned containers (state-funded cleanup)	1,873,336	1,300,409		1,441,742	2,292,700	
(6)(cr)	Well compensation grants	115,585	97,692		123,288	200,000	
(4)(du)	*/** Site-specific remediation	690,940	2,241,869		2,511,629	2,000,000	
(4)(au)	** Cooperative remedial action; contributions	0	0		0	0	
(4)(av)	** Cooperative remedial action; interest on contributions	745	1,880		0	0	
(4)(ar)	Groundwater management	29,898	117,899		64,484	91,900	
(4)(cr)	Hydrologic evaluation and modeling	0	0		50,000	0	
(6)(gs)	Village of Plover grant	0	0		0	0	
(4)(fq)	* Indemnification agreements	0	0		0	0	
DNR Debt Service:							
(7)(bq)	*** Remedial action	3,130,940	3,047,930		2,674,997	2,609,900	
(7)(br)	*** Contaminated sediment cleanup	1,593,630	1,807,917		1,418,275	1,899,500	
(7)(er)	*** Administrative facilities	680,262	662,464		680,279	716,100	
(7)(ct)	*** Water pollution abatement	<u>12,900,700</u>	<u>7,512,098</u>		<u>5,793,611</u>	<u>6,361,300</u>	
DNR Subtotal		\$53,038,569	\$50,661,075	105.66	\$47,141,856	\$50,767,800	105.45

Environmental Management Account Appropriations (continued)

Agency/Statutory Citation	Appropriation Name	2015-16 Expenditures	2016-17 Expenditures	2016-17 Positions	2017-18 Expenditures	2018-19 Base Funding	2018-19 Positions
Agriculture, Trade and Consumer Protection							
(7)(va)	Clean sweep grants	\$741,002	\$775,679		\$728,986	\$750,000	
Health Services							
(1)(q)	Groundwater and air quality standards	321,153	317,621	2.00	301,865	311,000	2.00
Military Affairs							
(3)(t)	Emergency response training	81	15,119		28	7,600	
University of Wisconsin System							
(1)(r)	Environmental education; environmental assessments	84,778	219,633		repealed	repealed	
(1)(sp)	Wisconsin institute for sustainable technology	0	0		440,000	0	
Wisconsin Economic Development Corporation							
(1)(s)	Brownfield site assessment grants	1,000,000	1,000,000		1,000,000	1,000,000	
Miscellaneous - Controller's Office							
NA	Payment of Cancelled Checks	0	0		0	0	
Subtotal Agencies Other than DNR		\$2,147,014	\$2,328,052	2.00	\$2,470,879	\$2,068,600	2.00
Total All Agencies		\$55,185,583	\$52,989,127	107.66	\$49,612,735	\$52,836,400	107.45

* Statutory citation reflects the 2017 Act 59 renumbering of several DNR appropriations as part of the departmental reorganization.

** Appropriations are continuing and show the estimated revenue that would be available solely for the purposes of the appropriation, rather than the Chapter 20 appropriations schedule amount.

*** Debt service appropriations are sum-sufficient and show actual expenditures in 2015-16 through 2017-18, and estimated expenditures in 2018-19.