



To: Governor Tony Evers
From: League of Wisconsin Municipalities
MEG – Wastewater Division
MEG – Water Division
Wisconsin Rural Water Association
Date: December 13, 2024
RE: Supplemental Support for SDWLP and CWLP in the 2025-27 Executive Budget

Collectively, our organizations represent Wisconsin municipalities, including water and wastewater systems across the state. The cost of maintaining our water infrastructure—both on the drinking water and wastewater treatment sides—continues to be a significant obstacle, and additional funding sources are necessary to mitigate excessive user fee increases while ensuring timely repairs and replacements and effective treatment.

The Safe Drinking Water Loan Program (SDWLP) and Clean Water Loan Program (CWLP) provide critical financing to support water and wastewater systems, enabling communities to advance essential infrastructure upgrades. However, the demand for these programs has increased substantially in recent years, significantly outpacing the resources available.

For the first time in the three-plus decade history of the Environmental Improvement Fund (EIF), which is comprised of the SDWLP and CWLP, the program did not have sufficient resources to meet demand in State Fiscal Year (SFY) 2024. According to the Department of Natural Resources (DNR), in SFY 2024, over \$763 million in financial assistance has been requested from the CWLP and SDWLP programs—nearly double the typical annual demand. This led to \$126.6 million in unmet needs in SFY 2024, delaying important projects throughout the state.

While the DNR and Department of Administration (DOA) are closely monitoring loan capacity, this heightened demand is projected to persist throughout the next biennium. Communities across Wisconsin are grappling with aging infrastructure and escalating project costs. Without additional financial support, many may face difficult decisions that could delay critical repairs, increase user rates, or both.

To address these challenges, we urge the state to allocate additional resources to the SDWLP and CWLP. Doing so would not only help meet the urgent needs of municipalities but also invest in Wisconsin's long-term economic stability, public health, and environmental protection. By providing additional resources, the state can ensure that our water infrastructure remains resilient and capable of supporting residents, businesses, and future generations.

Cc:
Jacob Pankratz, Senior Policy Advisor, Office of the Governor
Mitch Wallace, Deputy Director of Political Engagement, Office of the Governor