

Environmental Loans Program Process Improvements Proposal



Background

The Wisconsin Departments of Natural Resources (DNR) and Administration (DOA) recognize the current funding process of the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP) can be lengthy and cumbersome for both the state administrators and the program applicants. The DNR and the DOA have identified opportunities to improve the funding process. Under the current process, the period between the start of the funding cycle to the latest possible loan closing date can extend to approximately 28 months (over two years), or even longer if the project is not competing for principal forgiveness.

Goals

- Reduce the overall timeframe between project identification and loan closing.
- Increase the value of notice of intent to apply (ITA) submissions by requiring projects to be further through the planning and design process before entering the funding process.
- Improve the ratio of ITAs that advance to complete loan applications, resulting in more accurate and meaningful project priority lists.
- Reduce administrative workload for DNR staff, municipalities, and consulting engineers by eliminating repetitive annual submissions by allowing the ITA to remain valid over multiple years.
- Publish the funding lists early enough so that projects can be bid at the time of year with the best pricing.
- Distribute loan closings more evenly across the funding cycle to reduce the concentrated surge of closings typically seen at the end of the funding cycle.

Key Differences from Current Funding Process

The proposal requires projects to be further through the planning and design process before entering the funding process but aims to make funding available more quickly once that point is reached. The funding timeline and process described below are intended to create a consistent timeline between the CWFP and SDWLP. This proposal decreases the timeline from ITA to latest possible loan closing from 28 months, or 34 months for non-principal forgiveness CWFP projects, to approximately 23 months for all projects.

Intent to Apply Submission

- The due date has changed.
- Plans and specifications are now required with the ITA.
- Annual ITA resubmittal is not required, as long as the original ITA remains active.
- The ITA will remain active for as long as the plans and specifications approval is valid.
- The ITA system remains open year-round.

The ITA deadline will now be May 1. Approvable plans and specifications will now be required to be submitted with the ITA and submitted to the applicable DNR program (wastewater, public water system, or storm water) through the plan review process by the ITA deadline. For projects applying through the CWFP, an approved facility plan must also be obtained before submitting the ITA.

The CWFP facility plan deadline will be dependent on project type. If the project is for the wastewater treatment plant, the facility plan submittal deadline will be Nov. 1. If the project is for the collection system, or is a storm water project, the facility plan submittal deadline will be Feb. 1.

Additionally, applicants will no longer be required to submit the ITA annually. Instead, an eligible ITA will remain active for as long as the associated plan and specification approval is valid as specified in the approval letter. A new ITA is required only if the approval expires or if a new plan and specification approval is required.

The May 1 deadline will provide sufficient time for the DNR to complete eligibility determinations before the subsequent application deadline, allowing eligible projects to be ranked in priority score order via the self-score. However, the online ITA system will remain open throughout the year, and ITAs, along with plans and specifications, may be submitted at any time.

Applicants who miss the May 1 ITA deadline are not precluded from applying later. Applicants may still apply after the Aug. 1 application deadline (supplemental applications), provided all applicable eligibility requirements are met. This rolling submission approach allows applicants to enter the funding process year-round while ensuring projects submitted by May 1 remain eligible for initial ranking and consideration for yearly principal forgiveness and loan funding. (Refer to “Supplemental Applications” below.)

The new online ITA system is anticipated to open early February 2027. (Refer to “One Online System” below.)

Project Priority List

- The project priority list (PPL) will be updated more frequently rather than being published annually.
- The PPL will reflect self-scores and project eligibility.

The PPL will be maintained as a living document and updated on a quarterly basis. Quarterly updates will include the addition of projects for which plans and specifications have been submitted, and the removal of projects whose plans and specifications approval have expired or if the project has been awarded CWFP or SDWLP funding. As long as the plans and specifications approval remains valid, the project will continue to appear on the PPL. Projects will not be removed from the PPL solely because a new state fiscal year has begun.

The PPL will reflect the priority ranking and evaluation formula (PERF) self-score.

To ensure the DNR has enough time for project eligibility determinations and PPL preparation, new ITAs must be submitted by May 1 each year to be eligible to compete for principal forgiveness (PF) and loan funding with the Aug. 1 application deadline. ITAs submitted after May 1 will get placed on subsequent PPLs and can either submit an application after the Aug. 1 deadline as a supplemental application or wait for the next funding cycle to apply as a competitive application.

Application

- The due date has changed.
- The CWFP and SDWLP application deadlines are now aligned.

The CWFP and SDWLP application deadline will now be Aug. 1. A consistent timeline between the two programs will help projects that are receiving funding from both programs (especially for combined watermain and sanitary sewer projects).

The loan application will be available for all projects with a valid ITA on the PPL, meaning the DNR has received approvable plans and specifications for an eligible project.

Supplemental applications will still be allowed at any time during the year for projects not competing for principal forgiveness; however, applicants will continue to be encouraged to follow the application deadline to compete for funding in case of loan capacity limitations.

Supplemental Applications

A supplemental application is any CWFP or SDWLP application submitted after the program's competitive application deadline (Aug. 1) for the current funding cycle. These applications can be accepted if there is funding available but will not be eligible for principal forgiveness. Supplemental applications are not ranked and will be accepted on a first-come, first-served basis. A complete supplemental application must be submitted by the end of the state fiscal year—June 30, 2028, for the state fiscal year (SFY) 2028 funding cycle.

Funding Lists

- The draft funding list will be published in November and final funding list in December.
- PERF scores will be reviewed for all projects submitting a loan application.

The DNR plans to publish the funding lists in a timely manner to better align with bidding schedules, with a draft funding list published in November and a final funding list in December. PERF scores will be reviewed by the DNR after the application deadline.

Applicants will have 15 days from the published draft funding list date to submit a priority score reevaluation request.

Loan Closing

- The deadline has changed.
- Loan closing is based on the effective date of the construction contract.

The loan closing deadline will now be based on the effective date of the construction contract. Loan closing will be required within nine months of the construction contract's effective date, or if the effective date is prior to the publishing of the draft funding list, then loan closing will be required nine months after the date the draft funding list is published. Failure to meet this deadline will result in the forfeiture of any allocated funding. The applicant may reapply for funding in the following year.

For example, if the draft funding list is published on Nov. 1, 2027:

- For construction contracts with an effective date prior to Nov. 1, 2027, the loan would need to close no later than Aug. 1, 2028.
- For construction contracts with an effective date after Nov. 1, 2027, the loan would need to close within 9 months of the effective date. (Note the readiness-to-proceed deadline below.)

The readiness-to-proceed deadline for all projects, including supplemental applications, will be July 1, meaning bidding must have been completed and construction contracts executed by that date.

Planning and Design Loans

- Create a planning and design loan program.
- Subsidized loan.
- Loan term: five years.

The DNR is considering developing an optional planning and design loan program to assist applicants with getting projects started. Funding would be offered through a subsidized loan for a maximum loan term of five years. The application would be available year-round; therefore, no application deadline would be established. The DNR plans follow-up with another effort to gauge interest and solicit feedback.

One Online System

- Applicants will have project access in one online system.

The ITA/PERF system will be merged with the application and loan document upload system. The updated online system is anticipated to open in February 2027.

Table 1. SFY 2028 loan funding cycle deadlines.

Nov. 1, 2026	Deadline for submitting wastewater treatment plant facility plans to the DNR Water Quality Bureau for review for state fiscal year 2028 (SFY 28) projects. <i>(CWFP Only)</i>
Feb. 1, 2027	Deadline for submitting collection system facility plans to the DNR Water Quality Bureau and storm water facility plans to the DNR Storm Water Program for review for SFY 28 projects. <i>(CWFP Only)</i>
May 1, 2027	SFY 28 notice of intent to apply (ITA) deadline. • Approvable plans and specifications must be uploaded to the online system and submitted to the relevant DNR plan review program by the ITA deadline: ○ DNR Bureau of Water Quality through the wastewater plan review process. ○ DNR Bureau of Drinking Water and Groundwater through the public water system plan review process. ○ DNR Storm Water Program by email to the DNR regional storm water engineer or to the DNR central office storm water engineer. • A facility plan approval letter must be uploaded to the online system for all CWFP projects. Online system anticipated to open February 2027.
July 1, 2027	Project priority list (PPL) published (shows eligible projects in priority score order based on self-scores). • The PPL will be updated quarterly; however, the July PPL establishes the eligible projects that may submit an application for funding and compete for principal forgiveness and loan funding on the SFY 28 funding list.
Aug. 1, 2027	SFY 28 application deadline if competing for principal forgiveness (PF) and loan funding.
Nov. 1, 2027	SFY 28 draft funding list published (shows each eligible project's allocation of funds and the DNR project priority score). • Submit a priority score reevaluation request within 15 days of published draft funding list.
Dec. 15, 2027	SFY 28 final funding list published (shows each eligible project's allocation of funds).
July 1, 2028	SFY 28 readiness-to-proceed deadline for all projects. ALL required bid documentation, including executed construction contracts, are due. Failure to meet this deadline will result in the forfeiture of any allocated funding. The applicant may reapply for funding in the following year. <i>*Loan closing is required within 9 months of the effective date of the construction contract, or if the effective date is prior to the publishing of the draft funding list, then loan closing will be required 9 months after the date the draft funding list is published..</i>

Public Participation Process

This proposal is being posted for public comments beginning on Monday, Aug. 31, 2026. The draft proposal is available on the DNR's Environmental Loans webpage at dnr.wi.gov/aid/EIF.html. Written comments on the proposal will be taken through Wednesday, Oct. 7. Send comments via email to Matt Marcum, DNR Environmental Loans Section manager, at MatthewR.Marcum@wisconsin.gov.

The final version of this policy, including any revision made as a result of feedback received, will be posted on the [Environmental Loans webpage](#) and included in any future intended use plans.

The DNR is hosting an informational webinar on Thursday, Sept. 17 at 2:30 p.m., to discuss these changes. Further information about the webinar is available on the [Environmental Loans webpage](#).