

TO: All Legislators

FROM: Senator Janet Bewley, Representatives Beth Meyers, Nick Milroy & Katrina Shankland

DATE: Monday July 12, 2021

RE: Co-sponsorship of LRB-4182/2 RE: loan related to the Verso Paper Mill in the city of Wisconsin Rapids;
loan related to the Park Falls Pulp and Paper Mill in the city of Park Falls;
funding for the University of Wisconsin System;
special education funding and making an appropriation.

DEADLINE: Friday July 16, 2021 at 4:00 p.m.

Please join us in co-sponsoring legislation in support of both the Verso and Park Falls paper mills. The bill is substantially similar to an amendment offered to Assembly Bill 367 in both the Senate and Assembly, but it also includes funding for education needed to ensure our state meets maintenance of effort requirements. The Governor's veto message made it clear that he shares the concerns outlined in the non-partisan Legislative Fiscal Bureau memo, which cast doubt on our ability to use ARPA funds. This bill relies on state funds and provides more favorable lending terms, while providing WEDC with flexibility to support our mills. We hope that this can be a truly bipartisan and collaborative effort.

To be added as a co-sponsor of this legislation, please reply to this email or contact Senator Bewley's office at 6-3510 or Representative Meyers at 6-7690 by 4:00 pm by Friday, July 16th.

Analysis by the Legislative Reference Bureau

This bill authorizes the Wisconsin Economic Development Corporation to award a loan of up to \$50,000,000 to the Consolidated Cooperative or other eligible borrower in relation to the Verso Paper Mill in the city of Wisconsin Rapids. The loan may be used for any or all of the following:

1. Purchase of the Mill.
2. Improvements to infrastructure related to the Mill.
3. Equipment upgrades at the Mill.

The loan is to be for the term and upon the conditions as may be agreed upon between the parties, except that the loan contract must provide WEDC with a security interest in the Mill to secure repayment of the loan. Under the bill, WEDC may establish an interest rate for the loan that is below the market rate, and at the corporation's discretion, the loan may be forgivable. Additionally, the bill provides that before awarding the loan WEDC may determine that substantial additional funding for the purposes specified above has been secured from both non-state revenue sources and in the form of a loan issued by the Board of Commissioners of

Public Lands to an entity eligible for the loan.

The bill also authorizes WEDC to award a loan of up to \$15,000,000 to the Park Falls Mill Multi-Stakeholder Cooperative or other eligible borrower in relation to the Park Falls Pulp and Paper Mill in the city of Park Falls. The loan may be used for any or all of the following:

1. Purchase of the Mill.
2. Improvements to infrastructure related to the Mill.
3. Equipment upgrades at the Mill.

The loan is to be for the term and upon the conditions as may be agreed upon between the parties, except that the loan contract must provide WEDC with a security interest in the Mill to secure repayment of the loan. Under the bill, WEDC may establish an interest rate for the loan that is below the market rate, and at the corporation's discretion, the loan may be forgivable. Additionally, the bill provides that before awarding the loan WEDC may determine that substantial additional funding for the purposes specified above has been secured from both non-state revenue sources and in the form of a loan issued by the Board of Commissioners of Public Lands to an entity eligible for the loan.

If the loans described above are awarded, the bill also provides additional funding for the University of Wisconsin System under its general program operations appropriation and additional funding for special education aid the Department of Public Instruction pays to school districts, independent charter schools, cooperative educational service agencies, and county children with disabilities education boards.