**Fiscal Facts: Peering Down the Pipe**

Recent Wisconsin Policy Forum research examined a critical if overlooked local government service: sanitary and stormwater sewers, and the mounting costs to operate them.

Sewers safeguard public health, limit flooding, and protect natural resources, yet their sizable cost is often overlooked when discussing local government finances. But as new challenges emerge, such as increased flooding from climate change, these underappreciated public services and their cost are receiving more attention.

We found that in the last 20 years, sewer costs in Wisconsin increased faster than overall local service costs. The cost of providing these services accounted for $1 billion, or about 15%, of 2021 municipal spending in Wisconsin.

Previous Forum research found our state spends more per capita on sewers than almost all other states. Cities, villages, and towns provide sanitary sewer service to residents, and most sewer systems are financed with user fees.

Factors that boosted sewer spending include aging infrastructure, federal regulations, and increased rainfall due to climate change. Statewide precipitation between 1940 and 1950 averaged 30.8 inches per year and increased to 35.2 inches between 2008 and 2018. This trend is expected to continue, putting additional pressure on stormwater systems in the future.

Costs also are likely to grow further as the state addresses emerging pollution threats such as PFAS, a set of chemicals used in flame retardants and other products that break down very slowly over time and pose health risks. Wisconsin created a surface water standard for PFAS in 2022. Such rules may lead to significant changes for both sewer and stormwater management systems, and over time may add substantial costs.

Additional federal funding and a growing focus on green infrastructure may be needed to address the state's stormwater and sewage needs. Greater regional collaboration, economies of scale and private partnerships also may help limit expenditure growth.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at* [*wispolicyforum.org*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*