



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #1202

### Outdoor Resources Action Program Residual Bonding Authority (DNR)

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#### CURRENT LAW

The state first provided water pollution abatement grants for municipal wastewater systems through the Outdoor Resources Action Program (ORAP). The state operated the program from 1970 to 1979 and used general obligation bonding authority, with GPR debt service costs, to pay for grants. Statutes prohibited the state from approving grants under the program after June 30, 1979. The program was replaced by the Wisconsin fund, which operated from 1977 to 1990. Since 1990, the state has operated the clean water fund within the environmental improvement fund to provide financial assistance for municipal wastewater treatment projects.

#### GOVERNOR

No provision.

#### DISCUSSION POINTS

1. The ORAP program ended in 1979, is no longer active and can not be used for new projects. The program issued \$145,010,325 in general obligation bonds. All grant payments have been made and all grants have been closed. The state continues to pay GPR debt service on the bonds.

2. ORAP has residual authorized but unissued bonding authority of \$1,789,675. There is no currently authorized use of the residual bonding authority. Elimination of the residual general obligation bonding authority would reflect the fact that the program ended 22 years ago and will not be used for additional expenditures that incur GPR debt service. It would also more accurately reflect the state's total active bonding authority (similar to the 2001 Act 16 provision eliminating residual bonding authority under the expired Wisconsin fund program).

**ALTERNATIVES TO BILL**

1. Eliminate ORAP residual general obligation bonding authority of \$1,789,675.

<b>Alternative 1</b>	<b>BR</b>
2001-03 BONDING	- \$1,789,700

2. Maintain current law.

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