



Budget Briefs

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FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

The biennial state budget act (2001 Wisconsin Act 16), passed by the legislature and signed by Governor Scott McCallum on August 30, 2001, creates the Fox River Navigational System Authority to rehabilitate and operate the system of Lower Fox River locks between Lake Winnebago and Green Bay when the system is transferred to the state by the U.S. Army Corps of Engineers (COE).

BACKGROUND

After a failed attempt by private developers, the locks and dams along the Fox River were completed by the State of Wisconsin in the 1850s, and commercial water traffic first crossed the state from Green Bay to Prairie du Chien via the Fox-Wisconsin River system in 1856. The federal government took control of the system in 1872.

The Fox River originally played a major role in regional transportation and commerce, while its hydroelectric dams powered the growth of manufacturing, logging, and paper manufacturing. A century after the opening of the waterway, however, navigation had declined with the advent of railroads and highways. The Upper Fox River locks (Portage to Lake Winnebago) were abandoned by the COE in 1962. Since 1983, when the Corps closed the Lower Fox River to commercial traffic, the federal government has discontinued its operation and maintenance of the locks and placed its property holdings in caretaker status. Throughout the 1990s, the COE was threatening to fill in the locks and dispose of them, while local and state groups were urging an agreement that would turn the properties over to the state for development as a recreational and historic corridor. Regardless of the disposition of the locks, it was understood that the COE would continue to operate the dams on the Fox River as part of its flood control responsibilities.

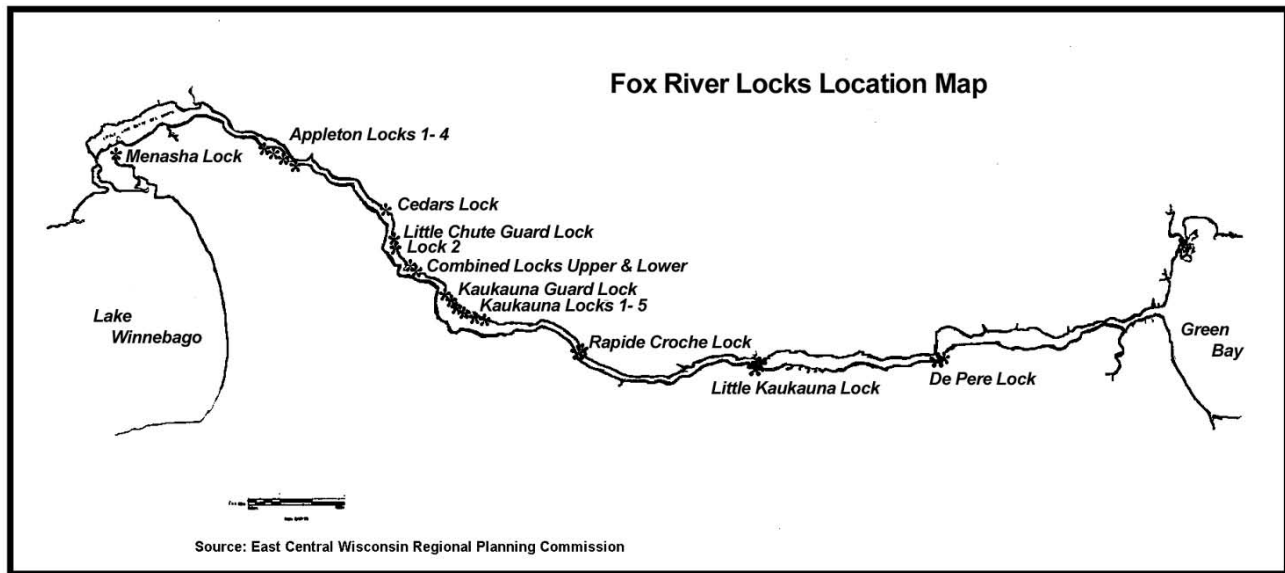
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The state originally created the Fox River Management Commission on May 11, 1984, to assume responsibility for operation of a limited number of the Lower Fox locks from the COE, which had moved into a caretaker role. The commission did not have authority or funding for maintenance or restoration of the facilities.

The Fox River Navigational System Authority was created by Act 16 to replace the commission. It will be responsible for 17 locks and approximately 94 acres of federal land bordering the Lower Fox River. Only three of the 17 are currently operational, and a fourth, the Rapid Croche Lock, will remain permanently sealed as a barrier to sea lamprey.

Powers and Duties. The Authority will assume responsibility for the rehabilitation, repair, replacement, operation, and maintenance of the Fox River Navigational System after the system is transferred from the federal government. Technically, the state will receive the system from the federal government and then lease it to the Authority.

As a public entity, the Authority is created by state law, but it is not a state agency, and it has no bonding authority. It can determine its own budget, employ its own staff outside the state hiring system, and is not subject to statutory procedures for rule-making. It must, however, comply with the state's open records and open meetings laws. It is subject to the lobbying regulation law; its board members and chief executive officer must comply with the code of



ethics for public officials; and its employees are prohibited from political activities while engaged in official duties.

Funding. Initially, it is anticipated the federal government will provide \$10 million toward rehabilitation and repairs upon the transfer of the locks system, if Congress approves the expenditure. In addition, given Congressional approval, it is expected COE will provide a dollar-for-dollar match, up to a maximum of \$5.5 million, for whatever funding the state provides the Authority. Act 16 caps the state matching aid, which will be derived from the Recreational Boating Aids Program, at \$400,000 in each of seven fiscal years. In order to participate in the fund matching, the Authority must contract with one or more nonprofit corporations to provide marketing and fundraising services, and these nonprofits must be based in one or more of the counties in which the navigational system is located. The amount of state and federal matching funding will be based on the funds the nonprofits raise for the Authority annually.

The Authority is required to submit a management plan to the Department of Administration (DOA) which addresses the costs and funding for the rehabilitation, repair, replacement, operation, and maintenance of the navigational system and describes how the Authority will ensure that sufficient funds are available to abandon the navigational system if its operation is no longer feasible. If the operation of the system becomes infeasible, the Authority must submit a plan for its abandonment. Before abandonment, DOA and the Department of Natural Resources must determine that the plan will preserve public rights in the Fox River and will ensure safety.

Composition. The Authority's 9-member board consists of six members appointed by the governor for staggered 3-year terms plus the secretary of the Department of Natural Resources, the secretary of the Department of Transportation, and director of the State Historical Society, or their designees. Brown, Outagamie, and Winnebago Counties will be represented by two members each. The members must be residents of the counties they represent and one of each pair must reside in a municipality in which a system lock is located.

FOR MORE INFORMATION

For copies of Wisconsin Statutes, contact the Legislative Reference Bureau at (608) 266-0342 or check 2001 Wisconsin Act 16 on the Internet at <http://www.legis.state.wi.us/2001/data/acts>.