or part of the costs through the property tax. The extent of user charge financing is indicated by the fact that about 25 percent of the dollar volume of municipal borrowings for treatment plants is through revenue bonds. Recent experience shows that communities are combining the financing of waste treatment plants with waterworks financing. That is, the revenues of each are pooled to support the bond issues.

(b) There are no systematic data on the extent to which user charges cover all operation and maintenance and annual debt service costs.

(c) Undoubtedly, a large portion of municipal sewage treatment plant costs are met through general taxation. A reasonable estimate cannot be proven. It is well to note that borrowing through general obligation bonds does not necessarily mean that the repayment is solely through general property taxation. Oftentimes, user charges, special benefit assessments, connecting charges, and other means are used in conjunction with property taxes to repay borrowings.

C. Trend of Capital Outlays

1. Complete data on annual expenditures for municipal sewage treatment plants date from the year 1957, the year the current program of financial assistance under the Federal Water Pollution Control Act got underway. From 1952 through 1956, the annual average was $272 million. Prior to 1952, no data are available. For the period 1957–65, the figures are as follows:

Annual expenditures for municipal sewage treatment plants

[In millions]

Year	Total expenditures	Total entirely by State and local funds	Total with Federal, State, and local funds
1957	421	278	143
1958	466	258	208
1959	419	228	191
1960	431	223	208
1961	538	281	257
1962	654	369	285
1963	815	375	440
1964	612	200	412
1965	625	225	400

The trend reflects the effect of both Federal financial assistance and the stepped-up Federal-State and interstate programs of pollution control. The high year of 1963 reflects the impact of the Federal accelerated public works program which has now expired.

2. The proportionate annual Federal, State, and local governments expenditures are indicated in the immediately previous table. The Federal share of the projects with Federal financial assistance has been averaging about 20 percent. This percentage is expected to increase as new and expanded Federal programs take effect. Only a minor portion is attributable to State financing, probably less than 2 percent. Local governments, chiefly municipalities and special districts, provide the bulk of the non-Federal funds.

3. The sources of financing have been chiefly public borrowings through the municipal bond market. Because many public works