February 19, 2019

FEDERAL BUDGET BILL – A WIN FOR WATER INFRASTRUCTURE FUNDING

On Friday, February 15, 2019, President Trump signed legislation, approved by Congress to fund the government through September 30, 2019. This avoids a new shutdown that was set to begin on Saturday, February 16, 2019. The broader budget bill does more than simply keep the federal government open. It funds key national priorities, including water infrastructure, negotiated by a bipartisan, bicameral conference committee last week.

EPA’s two main water infrastructure programs were clear winners. The Clean Water State Revolving Fund (CW SRF) was funded at $1.7 billion (Title II: $1.4 billion, Title IV: $300 million), which is equal to the 2018 enacted level and $300 million above the President’s budget request.

The Drinking Water State Revolving Fund (DW SRF) was funded at $1.2 billion, which is slightly higher than the 2018 enacted level and $300 million above the President’s budget request. This figure is consistent with the authorized funding levels reported when the President signed into law (P.L. 115-270) S.3021, “America’s Water Infrastructure Act of 2018” and puts funding on track to nearly double the funding by FY21.

It’s important to remember that the FY19 / FY18 figures build from the net funding increase from FY17 levels for these two critical programs (an increase of $600M).

In addition, the Water Infrastructure Finance and Innovation Act (WIFIA) Grants program was funded at $68 million (Title II: $10 million, Title IV: $58 million), which is $5 million above the FY 2018 enacted level and $48 million above the President’s budget request. Combined with the program improvements for WIFIA, these funds should now complement (not compete) with the CW SRF and the DW SRF programs.

CWCC OFFERS SUPPORT FOR FIVE YEAR CLEAN WATER FUNDING AUTHORIZATION / WATER RECYCLING INVESTMENT AND IMPROVEMENT ACT

Key Advocates is working with bipartisan leadership on Legislation to increase Federal appropriations for several Clean Water Act programs, including the CW SRF. This Legislation is expected to be introduced in the coming weeks.
The focus of this Legislation would be to authorize $20 billion in Federal grants over five years to capitalize Clean Water SRFs. These funds would provide low-interest loans and additional loan subsidizations (e.g., principal forgiveness and negative interest loans) to communities for wastewater infrastructure. In addition, the Legislation would:

- Authorize $1.5 billion over five years for grants for State water pollution control agencies to implement State water pollution control programs
- Provide $600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote stormwater best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters
- Authorize $375 million in grants over five years for alternative water source projects under section 220 of the Clean Water Act, including projects that reuse wastewater and stormwater to augment the existing sources of water; and
- Authorize $1 billion in grants over five years for states, territories, and tribes to support the control of nonpoint sources of water pollution.

CWCC has agreed to support this effort, based on our review of the draft of the bill as well as a short fact sheet that included the funding levels which would represent significant increases from current levels. Once the Legislation is introduced, we will ask that Members work to support this legislation as a priority.

The CWCC is also supporting H.R. 1162, the “Water Recycling Investment and Improvement Act”). This bill is sponsored by Subcommittee Chair Grace Napolitano (CA-32) and would increase funding authorization for the Bureau of Reclamation grant program from $50 M to $500 M. These funds would be used to assist water agencies with the expansion, planning, design, and building of water recycling plants and modernizing water infrastructure in California and other western states.