



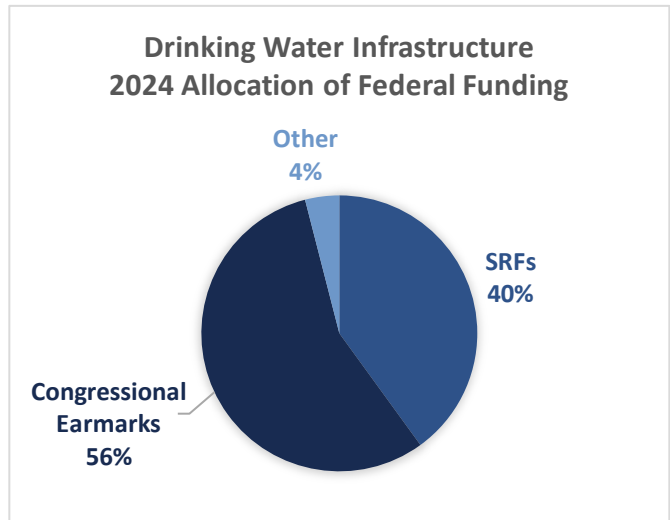
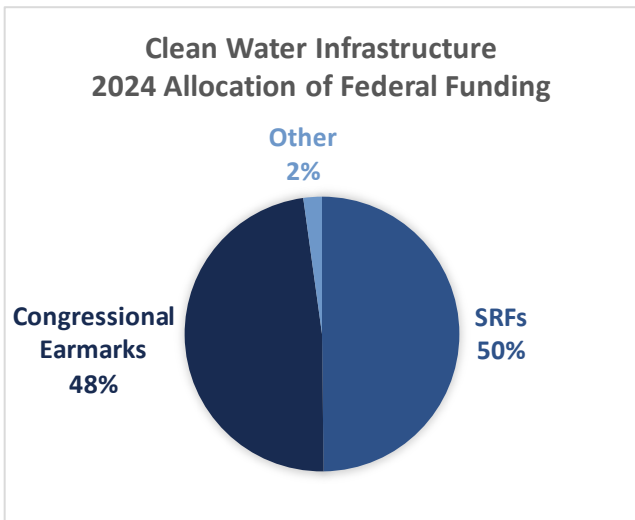
COUNCIL OF INFRASTRUCTURE FINANCING AUTHORITIES

## 2024 Appropriations Clean Water and Drinking Water State Revolving Funds

### Overview

The [Consolidated Appropriations Act of 2024](#) maintained topline annual federal funding for the capitalization grants for Clean Water and Drinking Water State Revolving Funds (SRFs) but used more than half of the SRF funding to pay for congressional earmarks which can be found in the [Joint Explanatory Statement](#). This year, Congress diverted \$1.4 billion in federal funding from 39 states, Puerto Rico, Washington, D.C., U.S. Territories and Tribes to pay for congressional earmarks in 11 states.<sup>1</sup>

2024 SRF Capitalization Grants			
Federal Funding	Clean Water	Drinking Water	Total
Capitalization Grant	1,638,861,000	1,126,101,000	2,764,962,000
Congressional Earmarks	(787,652,267)	(631,659,905)	(1,419,312,172)
EPA Earmark Administration	(7,184,000)	(6,116,000)	(13,300,000)
EPA Program Administration	(2,500,733)	(22,267,095)	(24,767,828)
Tribes, Territories and DC	(16,880,000)	(11,652,000)	(28,532,000)
604(b)	(8,256,000)		(8,256,000)
Available SRF Funding	816,388,000	454,406,000	1,270,794,000



<sup>1</sup> Compared to pre-earmark funding levels and allotments for the SRFs (2021).

## Policy

- Maintains mandates that the Clean Water SRFs use 10% of annual federal funding and the Drinking Water SRFs use 14% of annual federal funding for additional subsidy in the form of grants, principal forgiveness or negative interest loans for any eligible applicant.
- Maintains mandate that the Clean Water SRFs use 10% of annual federal funding for green projects as long as there are eligible applications consistent with the Intended Use Plan.
- Allocates funding in the SRF capitalization grant, for the first time, to the U.S. Environmental Protection Agency (EPA) to administer earmarks from the SRF capitalization grants.

## Milestones

- U.S. House of Representatives passed on Wednesday, March 6, 2024, by a vote of 339-85.
- U.S. Senate passed on Friday, March 8, 2024, by a vote of 75-22.
- President Biden signed into law Saturday, March 9, 2024.

## Other Provisions

### Waiver of Procurement Requirements for Congressional Earmarks

The appropriations bill exempts congressional earmarks funded by 2022, 2023, and 2024 appropriations from "Federal procurement requirements for competition and methods of procurement." Under CIFA's interpretation, this provision waives requirements in the government-wide uniform grant guidance which requires a competitive procurement process for purchases over \$10,000 as well as requirements for procuring architectural and engineering services under the Clean Water SRF, which requires a Quality Based Selection (QBS), also referred to as the federal Brooks Act or state "Mini" Brooks Acts.

### EPA Report to Expedite Award of Earmarks

The appropriations bill requires EPA to submit a report within 90 dates (estimated June 7) to improve and expedite the award of congressional earmarks.

The must include "a detailed legislative structure to allow States to implement and manage Community Project Funding/Congressionally Directed Spending grants" which would:

- Allow states to apply or elect to manage a project or projects.
- Align requirements of earmarks with SRF loans.
- Establish an administrative set-aside for states to manage earmarks.

The report:

- Can include ways to streamline environmental reviews.
- Can't increase EPA staff.

Congress also directed EPA "to immediately begin consulting with the States and Tribes on this proposal, solicit their feedback" and "to incorporate State and Tribal feedback into its report and legislative proposal."