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COUNCIL OF INFRASTRUCTURE FINANCING AUTHORITIES

Federal Policy Priorities for State Revolving Funds (SRFs)

CORE PRINCIPLES

State Revolving Funds (SRFs) are proven, fiscally responsible financing systems that provide a permanent, revolving source of capital for drinking water, wastewater, stormwater, recycled water, and nonpoint source (NPS) water quality infrastructure.

As Congress evaluates future infrastructure funding, implementation, and oversight priorities, protecting the long-term integrity, sustainability, and flexibility of the SRF financing structure remains critical to supporting affordable infrastructure investment nationwide.

CIFA SUPPORTS FEDERAL POLICY THAT

FULLY FUNDS SRFS
to meet national infrastructure needs

PRESERVES STATE FLEXIBILITY
and opposes one-size-fits-all federalization of state programs

AVOIDS UNFUNDED OR INEFFECTIVE MANDATES
that increase project costs and user rates

ENSURES FEDERAL POLICIES SUPPORT
long-term SRF sustainability and operational effectiveness

SUPPORTS REAUTHORIZATION OF BOTH SRFS
at funding levels aligned with documented national needs

MODERNIZES FUTURE NEEDS SURVEYS
to ensure reliable data is utilized in allotment of both Clean Water and Drinking Water SRF funds

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CIFA SEEKS FEDERAL APPROPRIATIONS THAT

- Fully fund the Clean Water SRF and Drinking Water SRF at $6.5 billion each for FY27
- Maintain strong baseline SRF capitalization funding and avoid structural erosion of long-term revolving financing capacity through the CDS/CPF process
  - CDS/CPF should be in addition to the baseline appropriation, not reducing the baseline.

LONG-TERM SRF FINANCING STRUCTURE

- SRFs should continue operating as long-term revolving financing systems
- Federal policy should preserve state flexibility, leveraging capacity, and long-term revolving financing structures and should avoid fragmented funding approaches that erode that capacity over time
- Financing sustainability and affordability should remain central considerations in federal infrastructure policy

CONGRESSIONAL MANDATES ON SRFS

CIFA opposes mandates that reduce state discretion or revolving capacity, including:

- Mandatory minimum additional subsidy requirements
- State match requirements on federally mandated additional subsidies
- The requirement for minimum CWSRF green project reserve amounts

CONGRESSIONAL MANDATES ON BORROWERS

CIFA supports repeal of borrower mandates that increase costs without clear benefit, including:

- Fiscal Sustainability Plans
- Cost-effectiveness analysis and green certification
- Federal procurement requirements for A/E services (Brooks Act)
- Small system public water supply certification – WIIN Act of 2017 Section 2108(b)
- Congressional requirements that apply to non-federal program funds
- Expensive and burdensome regulations on small rural water providers, waivers should be provided

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EPA POLICIES AFFECTING SRFS

CIFA SUPPORTS

- minimizing policies outside of those required by federal legislation
- oversight approaches that reflect long-term financing structures, implementation realities, and project pipeline complexity

CIFA OPPOSES

- duplicative reporting requirements already captured in SRF data systems
- performance evaluations based on single-day snapshots or proxy measures
- evaluations based solely on static balance snapshots without consideration of leveraging structures and long-term financing mechanisms

WIFIA & SWIFIA

CIFA SUPPORTS

- further streamlining and coordination with SRFs
- flexibility on subordination and limiting springing lien requirements

WIFIA funding caps were intentionally negotiated to ensure the program complements rather than replaces SRF financing, and WIFIA is currently limited to funding 49% of project costs

CIFA OPPOSES

- duplicative environmental reviews for co-funded projects

FINANCING & CREDIT PROGRAMS

CIFA SUPPORTS

- the preservation of tax-exempt municipal bonds
- the restoration of advance refunding

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