



(703) 340-4666

www.keyadvocates.com

January 2024 Insights

NOTE: Congress is in recess until January 8.

FY24 Appropriations Bills Generally: January 19 and February 9 Deadlines

Currently, the FY24 appropriation bills are being considered under a two-step, two-deadline process per the most recent Continuing Resolution. That Resolution extended funding until January 19 for 4 appropriations bills – Military Construction, Veterans, Transportation/Housing and Energy and Water (funds WIIN grants). The remaining bills (including the Interior Appropriations bill which funds the SRF's) would be funded until February 2. At this time, there appears no political appetite for extending either deadline. In addition, it is not clear, if agreement is reached on these bills, whether they would be considered on the Floor individually (the House Republican preference) or via minibuses (the Senate preference).

To date, in the House, seven bills have passed, including the Energy and Water (WIIN grants) and Interior (the SRF's and related earmarks) bills, all at the FY22 funding level, three bills are pending, and two bills (Ag and Commerce) were defeated. In the Senate, all twelve appropriations bills have been approved at the FY23 level by the Appropriations Committee on a bipartisan basis with the Agriculture, Military/Veterans and Transportation bills all having passed as a minibus.

FY24 Energy and Water Appropriation Bills: WIIN Grant Funding

Both the House-passed and Senate-reported Energy and Water Appropriations bills (H.R. 4394 and S.2443 respectively) provide \$30M for Title XVI of which \$20M is for WIIN grants. Given that, there should be no issue in the current conference. The President's FY 24 Budget proposed \$4M for Title XVI, the same as the FY23 Biden Budget.

FY24 Interior Appropriation Bills: SRF Funding

Clean Water SRF - the House-passed Interior Appropriations bill (H.R. 4821) provides \$1.005B - a general fund base allotment of \$535M and earmarks of \$470M. The Senate-reported Interior Appropriations bill (S.2605) provides \$1.639B - a general fund base allotment of \$1.294B and earmarks of \$345M. The President's FY 24 Budget proposed \$1.639B. The Bipartisan Infrastructure Law (BIL), which was not changed by either bill, provides an additional \$2.628B for the CWSRF. **NOTE: the BIL provided funding for FY22-26 – it would be up for re-authorization by the end of FY26.**

Safe Drinking Water SRF - the House-passed Interior Appropriations bill provides \$870.6M - a general fund base allotment of \$460.6M and earmarks of \$410.3M. The Senate-reported Interior Appropriations bill provides \$1.126B - a general fund base allotment of \$882M and earmarks of

\$243.6M. The BIL, which was not changed by either bill, provides an additional \$3.000B for the SDWSRF. For the SDWSRF, the President's FY 24 Budget proposed \$1.126B.

As negotiations are underway between House and Senate Appropriations Committees, we continue to engage House and Senate Appropriations Committee Members and staff, primarily Democrats, in strong support of at least the FY24 Clean Water SRF baseline funding level in the Senate-reported bill, strong opposition to the baseline funding level in the House-passed bill, and at least \$20M for WIIN grants.

Earmark Funding: Generally

We continue to pursue discussions with the Hill and SRF stakeholders regarding appropriations for SRF baseline funding and related earmarks. For FY 22 and 23 (and now for FY24), earmark funding was a takedown from the SRF base allotments and not from a separate earmark funding account. As a result, the base allotments were adversely impacted. The Coalition's position is that continuance of that approach is a real problem and counter to the goal of the Bipartisan Infrastructure Law which was to increase SRF spending over and above increases in the traditional appropriations process and not in lieu of reductions by that process.

Earmark Funding Specifically: FY24 SRF's

As part of the SRF funding lobbying effort, we also continue to support, as the maximum, the earmark funding level in the Senate bill and oppose the higher level in the House bill. We have also express strong opposition to combining the earmark funding levels which impacts adversely the baseline funding even more so.

Clean Water SRF – the House-passed Interior Appropriations bill provides \$470M for earmarks. The Senate-reported Interior Appropriations bill provides \$345M for earmarks.

Safe Drinking Water SRF - the House Interior Appropriations bill provides \$410M for earmarks. The Senate Interior Appropriations bill provides \$244M for earmarks.

For both SRF's, the President's FY 24 Budget rejected earmarks as a takedown from the basic SRF allotment funding.

Senator Padilla Staff Meeting Request

Have a zoom meeting request pending with Senator Padilla's office (Angela Eibner on the SRF's and Sarah Swig on WIIN grants) to discuss an arrangement for the Senator to champion our causes including the STREAM Act.

STREAM Act (S.2162) Update

Pending the Padilla staff meeting, we reached out to the offices of Senators Sinema and Kelly, cosponsors of the bill, to express our support for the bill and to urge action on it.

To review, the bill was introduced on June 22 by Senator Feinstein with Senators Sinema (I-AZ) and Kelly (D-AZ) as cosponsors. On July 19, a hearing was held on the bill by the Subcommittee on Water and Power of the Energy and Natural Resources Committee. On May 24, at the request of staff of Senator Feinstein, the Coalition sent a letter of support for the the bill regarding its plan introduction. The bill is basically the same bill the Senator introduced last Congress and includes the following: \$300M over five years for water recycling, \$750M for

surface and groundwater storage and conveyance projects, \$150M for desalination projects, \$100M for projects to provide drinking water for disadvantaged communities, and \$250M for environmental restoration projects. The Napolitano office said that they are monitoring action on the bill to decide next steps.

FY24 House Republican Congressional Budget Resolution and FY25 President's Budget

Next steps still unclear. Accompanying report of House resolution still not filed. No concurrent resolution number. House passage was expected in the past few weeks but did not materialize. No Senate action to date. Action may be overtaken by what happens with the appropriations bills.

Highlights of the House Republican budget resolution -

- FY24 discretionary spending at the FY22 level of \$1.47T;
- Spending to grow by only 1 percent a year;
- Overall, discretionary spending to come down by \$4.6T over a decade;
- Deficits to be reduced by \$16.3T over a decade; and,
- A surplus of \$130B at the end of ten years.

The President's Budget, by law, is to be submitted to Congress on the first Monday in February – this year, February 5. That deadline is often missed. For example, last year the Budget was submitted on March 9. Influencing/lobbying the Executive budget process is difficult at best – lobbying almost non-existent. The process begins almost a year in advance with internal agency discussions/formulations extending from February to September, followed by agency presentations to OMB in September, pass-back by OMB in October, final joint agency-OMB review in November, last minute action in December, and print in January for submission in February.

Issues/Bills of Interest

Continue to advocate for these for any possible consideration opportunities.

Alternative Water Source Program Funding – authorized at \$125M in the Bipartisan Infrastructure Law but not funded. Included the language the Coalition requested that makes USBR recycled water projects that have not received construction funds eligible to apply for AWSP grants.

Mega Recycled Water Project Funding – continue to pursue funding for mega recycled water projects over and above the \$450M provided in the Bipartisan Infrastructure Law.

Other Items of Interest - if there is an effort to pursue non-controversial infrastructure items, advocate for programs of interest such as those included in the House-passed “Build Back Better” bill including \$100M for large scale water recycling projects and \$125M for Alternative Water Source Program grants.