



(703) 340-4666

www.keyadvocates.com

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March 2023 Insights

Feb. 28 Hill Meetings

On the above date and on behalf of the Coalition, we met with John Watts, Senior Policy Advisor, Senator Feinstein; Morgan Leonard, Legislative Assistant, Congresswoman Napolitano; Logan Feree, Professional Staff Member, House Transportation and Infrastructure Water Resources Subcommittee; and staff of the House and Senate Appropriations Committees.

The “common” issues addressed in all the meetings were FY24 and future year funding for the Clean Water and Safe Drinking Water SRF’s (SRF’s), Title XVI WIIN grants, and the Alternative Water Source Program (AWSP); FY24 SRF funding versus related earmarks, and FY24 earmarks in general. The issues “unique” in two of the meetings (Feinstein and Napolitano) were plans regarding the STREAM Act and Title XVI WIIN grant reforms bills of the last Congress.

All with whom we met said that their Member or Members (Feinstein is Ranking Democrat on the Appropriations Energy and Water Subcommittee with jurisdiction over WIIN grants and is also a member of the Appropriations Interior Subcommittee with jurisdiction over the SRF’s and the AWSP; Napolitano is Ranking Democrat on the T&I Water Resource Subcommittee with jurisdiction over the CWSRF and the AWSP and is also a member of the Natural Resources Committee with jurisdiction over WIIN grants) support continued increase funding for the SRF’s and the WIIN grant program, building upon funding in the past few years in the annual appropriations process coupled with funding provided in the Bipartisan Infrastructure Law. That Law appropriated \$3B for FY24 and \$3.25B for FY’s 25 and 26 for each SRF.

Note: on this issue and others addressed in the meetings, the Appropriations staffers mostly listened and asked questions but were very guarded on their thought process. Not unexpected. Notwithstanding that, we did get a chance to make our case on all the issues.

The Bipartisan Infrastructure Law also appropriated \$500M for Title XVI, most of which is expected to go for WIIN grants. In the meetings we extended the Coalition’s appreciation for the significant funding increase in the WIIN grant program which now opens up a new opportunity for project funding. In the past, funding for WIIN grants was too low and traditional Title XVI funding barred projects from applying that were not authorized by Congress as the program requires. The general view from the meetings was that funding for the WIIN competitive grant approach versus the traditional Title XVI politically- approved project approach is the goal going forward.

Regarding the AWSP, it was authorized in the Bipartisan Infrastructure Law but not funded. Again, they all were in support of funding for the Program, which includes the language the Coalition requested that makes USBR recycled water projects that have not received construction funds eligible to apply for AWSP grants. Concern was voiced by the Feinstein staffer about the FY24 appropriations challenge that the Program faces because it would be considered a new program since it has never received an appropriation and House Republicans might be opposed to funding it because of they are opposed to new programs, especially a new EPA program which this is.

In the meetings we expressed concern with what happened last year in the appropriations process regarding final funding of the SRF's and related earmarks. Going into final deliberations of the House and Senate Interior Appropriations Bills, funding for the SRF's was basically about the same in both bills - @\$1.7B for the CWSRF and \$1.2B for the SDWSRF. Then came the decision to reduce overall spending. Instead of reducing earmark spending – owing to Member pressure – basic programs were cut, including the SRF's which were each reduced by about \$300M to accommodate related earmarks. We stated that continuance of that approach for FY24 and beyond 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. All with whom we met knew of the issue, agreed with our concerns, and have expressed the same to the appropriators.

Regarding earmarks in general, we expressed support for their continuance in FY24 appropriations bills.

Regarding the STREAM Act (see separate section below) introduced last Congress by Senator Feinstein, we learned that the Senator's plan is to reintroduce the bill probably in April. Moving the bill, the Feinstein's staffer said, is a real challenge not only because House Republicans are not supportive of recycled water generally but because of competing interests in the Senate – water storage, farming, etc. – all of which make it difficult to garner bipartisan support for Floor consideration.

Regarding the Napolitano WIIN grant reform bill (see separate section below), her staffer said that the major features of the bill - increased funding, federal share increase, and repeal of prior approval appropriations requirement - were all included in the Bipartisan Infrastructure Law, and that now they are focusing on smaller items, if any, that were not included. This is an issue that the Coalition needs to research further because our view is that the Napolitano bill, which authorizes the WIIN grant program, is different than the Bipartisan Infrastructure Law which appropriated WIIN grant funding, and thus, is still needed to support funding beyond the life of the Bipartisan Infrastructure Law, to codify the Federal share increase which was done this year by the USBR administratively and not by law and thus, could be undone as well, etc. Also, if the Napolitano bill of last Congress is not needed because it was overtaken by the Bipartisan Infrastructure Law, then why is Feinstein pursuing the STREAM Act which addresses the same issues as the Napolitano bill bill????!! More to learn and report on this.

118th Congress

Composition

On February 21, the Democrats won the Virginia's 4th congressional district special election. As a result, the Republicans have 222 members and the Democrats 213. In the Senate, there are 51 Democrats and 49 Republican. Two seats of interest are Congressman Santos, per DOJ and Ethics Committee investigations, and Senator Fetterman, per health issues.

Committee and Subcommittee Assignments

In the House, we are tracking the following: the Natural Resources Committee and its Subcommittee on Water and Oceans (with jurisdiction over Title XVI) - note: Congressman Bruce Westerman (R-AR-4) is the new Chair and Congressman Paul Grijalva (D-AR-3) is the top Democrat; the Energy Committee (with jurisdiction over the Safe Drinking Water SRF) – note: Congresswoman Cathy McMorris Rodgers (R-WA-5) is the new Chair and Congressman Frank Pallone (D-NJ-6) is the Ranking Democrat; the Transportation and Infrastructure Committee (with jurisdiction over the Clean Water SRF, the Alternative Water Source Program and surface transportation) – note: Congressman Sam Graves (R-MO-6) is the new Chair and Congressman Rick Larsen (D-WA-2) is the Ranking Democratic; and, the Appropriations Committee and its Subcommittees on the Interior (with jurisdiction over SRF funding), and Energy and Water (with jurisdiction over the USBR including Title XVI), and Transportation (with jurisdiction over surface transportation funding) – note: Congresswoman Kay Granger (R-TX-12) is the new Chair and Congresswoman Rosa DeLauro (D-CT-3) is the Ranking Democrat.

In the Senate, we are tracking the Environment and Public Works Committee (with jurisdiction over the Clean Water and Safe Drinking Water SRF's, the Alternative Water Source Program and surface transportation) note: Senators Thomas Carper (D-DEL) and Shelley Moore Capito (R-WV) are the Chair and Ranking Member; the Energy and Natural Resources Committee (with jurisdiction over Title XVI) – note: Senators Joe Manchin (D-WV) and John Barrasso (R-WY) are the Chair and Ranking Member; and, the Appropriations Committee and its Subcommittees on the Interior (with jurisdiction over SRF funding), Energy and Water (with jurisdiction over the USBR including Title XVI) and Transportation (with jurisdiction over surface transportation funding) - note: Senator Patty Murray (D-WA) and Senator Susan Collins (R-ME) are the Chair and Ranking Member.

Lame Duck Session Unfinished Business

The Coalition supports action on the following in the new Congress:

- 1) “Build Back Better” Bill: Round Two?

The effort by Senators Sherrod Brown (D-OH) and Michael Bennet (D-CO) to extend the child care credit and pair it with the renewal of an expired R&D tax break for businesses and other non-controversial items (not disclosed) did not materialize as agreement could not be reached with Senate Republicans. Their plan is to try again in the new Congress. If so, we would continue to advocate for funding for the Alternative Water Source Program and large scale water recycling projects, inclusion of H.R. 5118 or some variation, and any other items of interest.

Included in the House-passed “Build Back Better” bill of interest to the Coalition (see bold):

- \$30B for Safe Drinking Water SRF lead service line replacement projects;
- \$100M for state public water systems;
- \$700M to reduce lead in school drinking water;
- \$100M for large scale water recycling projects;
- \$1.15B for emergency drought relief;
- \$125M for Alternative Water Source Program grants;
- \$2B for sewer overflow and storm water reuse grants;

- \$4B for reduction of carbon in the surface transportation sector;
- \$4B for affordable and safe transportation access; and,
- \$6B for local surface transportation projects.

No funding for the Clean Water SRF is included in the House BBB. It does include new taxes.

Unofficially, the Senate Environment and Public Works Committee released its BBB title which includes \$9B for SDWSRF-funded lead remediation projects, \$225M for rural and low-income water assistance grants, \$125M for Alternative Water Source Program grants, and \$500M for sewer overflow and storm water reuse municipal grants.

NOTE: Brown/Bennet's staff say that the plan is still to push forward on this. Now looking for Republican support.

- 2) H.R. 5118, the "Wildlife Response and Drought Resiliency Act" and S. 4231, the "STREAM Act" (Support to Rehydrate the Environment, Agriculture and Municipalities Act)

No action in the lame duck session. H.R. 5118 passed the House. S. 4231 was introduced in the Senate. The Coalition supports enactment of H.R. 5118 or some variation.

H.R. 5118 authorizes \$600M for WIIN grants. This is in addition to the \$550M appropriated in the Bipartisan Infrastructure Law for both traditional Title XVI and WIIN grants. The bill also increases the Federal share from \$20M to \$50M, provides priority project funding and authorizes \$700M (again, this is in addition to the \$450M appropriated in the Bipartisan Infrastructure Law) for large water recycling projects with total estimated cost of at least \$500M.

S. 4231 authorizes \$300M for FY24-28 for WIIN grants. These funds are over and above the BIF WIIN grant appropriated amount of \$550M. The Federal share is \$20M. Priority funding is given to projects that meet certain criteria.

Funding Items

President's FY24 Budget, to be submitted March 9, and the FY24 Congressional Budget Resolution – support highest funding levels for programs of interest.

FY24 Appropriations Bills - support highest base funding levels for programs of interest with earmark funding over and above the base and not as a takedown.

Title XVI 2023 WIIN Grants – the USBR announced that \$150M plus what is provided in the FY23 appropriations bill (\$20M) would be available for 2023 WIIN grants. Was contacted by the USBR on Jan. 23. Said as far as the anticipated schedule for FY23 WIIN Act funding opportunities, they are still developing the schedule, but the plan is to first release the funding opportunity for the large-scale water recycling program in the spring with funding opportunities for WIIN grants and desalination construction to follow in the summer

Earmarks – track consideration for possible opportunities. Also, advocate to protect Clean Water SRF base funding from earmark takedown.

EPA State and Tribal Assistance Grants – track announcements and opportunities.

Consolidated Appropriations Act, 2023

To review, included in the FY23 omnibus appropriations bill is \$1.639B (state allotments and earmarks) for the Clean Water SRF, which is in addition to the \$2.750B provided in the Infrastructure Investment and Jobs Act aka the Bipartisan Infrastructure Law, \$1.126B (state allotments and earmarks) for the Safe Drinking Water SRF, which is in addition to the \$2.750B provided in the Infrastructure Investment and Jobs Act aka the Bipartisan Infrastructure Law, and “not less than \$20M” for WIIN grants.

Also included for transportation programs - \$800M for national infrastructure investments (RAISE/TIGER/BUILD), \$1.145B for bridge replacement and rehabilitation, \$150M for PROTECT grants, \$800M for local and regional projects, \$19B for the FAA, \$62.9B for the FHWA formula programs including \$3.4B for discretionary highway programs and projects, \$873.6M for FMCSA, \$1.2B for NHTSA, \$3.4B for FRA including \$555M for the Intercity Passenger Rail grant program, \$560M for CRISI grants, \$2.45B for Amtrak, including \$1.26B for the Northeast Corridor and \$1.19B for National Network grants, \$16.9B for the FTA, including \$13.6B for buses, \$2.6B for capital investment grants, and \$542M for transit infrastructure grants; and, \$896.1M for MARAD.

Bill Tracking

Bills of the 117th Congress not enacted into law by the conclusion of that Congress must start anew (if still being pursued by Members) in the 118th Congress – starting at the beginning of the legislative process with introduction. We will note bills of interest, focusing on those that are marked up by committees and/or come to our attention.