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March 2024 Insights

NOTE: this report is based on information to date. More specifics on negotiated funding levels and Floor timing forthcoming as they become available. You should expect to receive ad hoc information reports beginning as early as this weekend.

FY24 Appropriations Bills: March 8 and March 22 Deadlines

On February 28, top lawmakers reached agreement to extend funding until March 8 for the FY24 Agriculture, Veterans, Transportation, Interior (funds the SRF's and related earmarks), Commerce and Energy and Water (funds WIIN grants) Appropriation bills. The remaining bills, including Defense, HHS, and Homeland Security, would be funded until March 22. 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 as minibuses (the Senate preference). Bill texts expected this weekend. Floor action next week.

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 Bipartisan Infrastructure Law (BIL), which was not changed by either bill, provides an additional \$2.628B for the CWSRF. The President's FY 24 Budget proposed \$1.639B.

The Coalition supports the FY24 Clean Water SRF baseline funding level in the Senate-reported bill and opposes the baseline funding level in the House-passed bill.

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.

The Coalition supports the FY24 Safe Drinking Water SRF baseline funding level in the Senate-reported bill and opposes the baseline funding level in the House-passed bill.

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.

Earmark Funding: SRF's

The Coalition supports, as the maximum, the earmark funding level in the Senate bill and opposes the higher level in the House-passed bill. The Coalition also opposes combining the earmark funding levels in both bills which impacts adversely the baseline funding.

Clean Water SRF – the House-passed Interior Appropriations bill provides \$470M for earmarks. The Senate-reported Interior Appropriations bill provides \$345M for earmarks. For the CWSRF, the President's FY 24 rejected earmarks as a takedown from the basic SRF funding.

Safe Drinking Water SRF – the House-passed Interior Appropriations bill provides \$410.3M for earmarks. The Senate-reported Interior Appropriations bill provides \$243.6M for earmarks. For the SDWSRF, the President's FY 24 Budget also rejected earmarks as a takedown from the basic SRF funding.

Earmark Funding: Generally

The Coalition continues to pursue discussions with the Hill and CWSRF 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.

FY25 President's Budget

The President's Budget is expected to be released on March 11.

Topline Budget Agreement

On January 7, Majority Leader Schumer and Speaker Johnson reached a deal on overall FY24 budget totals - \$886B for defense and \$773B for non-defense, both in line with the totals the President and former Speaker McCarthy struck as part of last summer's debt ceiling package. These are topline levels – the appropriators will decide funding for individual programs but have to stay within the overall defense/non-defense totals.

Non-defense budgets would remain roughly flat, less than a one percent decrease compared to current funding. Defense programs would see a three percent increase. The agreement also includes rescissions of \$6B in unspent pandemic aid and \$20B for IRS enforcement, emergency funding of \$12.5B rather than \$23B under the debt accord, and mandatory programs at \$15B rather than \$25B under the debt accord.

Also, per the debt agreement, if appropriation bills are not enacted by April 30, defense funding would be cut automatically by one percent and non-defense amounts by an estimated five percent. A nine percent cut to domestic programs would be exacted if Congress fully funds the government at levels contrary to the budget agreement.

FY24 House Congressional Budget Resolution

Given focus and action on the appropriations process, it is becoming more and more likely that there will not be a FY24 congressional budget resolution. The only resolution to date is a House Republican Budget Committee resolution for which the accompanying report is still not filed, there is no concurrent resolution number, and House passage was expected but did not materialize. No Senate action to date.

Highlights of the House Republican Budget Committee budget resolution -

- FY24 discretionary spending at the FY22 level of \$1.47T;
- Spending to grow by only 1 percent a year;
- 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.

STREAM Act (S.2162) Next Steps

Efforts are ongoing with the Environment and Public Works Committee by staffs of Senators Padilla and Butler, taking over for Senator Feinstein, on amendments to the bill with the intent of moving it forward.

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 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.

Garamendi Permitting Amendment

The Coalition supports an amendment proposed by Congressman John Garamendi (D-CA-08) to H.R 7023, the “Creating Confidence in Clean Water Permitting Act,” that would allow the U.S. EPA to issue NPDES permits for public works - such as wastewater treatment or water recycling/ reuse plants owned/operated by local governments – for up to 10 years as opposed to 5 years under current law. The Coalition is included in the list of supporting endorsements.

Issues/Bills of Interest

Alternative Water Source Program Funding – pursue funding as the Program was 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 – pursue funding for mega recycled water projects over and above the \$450M provided in the Bipartisan Infrastructure Law.