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September 2023 Insights

NOTE: Congress is in recess until after Labor Day. However, there are on-going discussions/negotiations between House and Senate staff on the appropriations bills. At this time, it is unclear whether each House will take up its bill after the recess and then look to conference to resolve differences or try to reach agreement during the recess on final versions that would be passed by both Houses, without the need for conferences, when Congress returns. In either case, while Coalition members were encouraged to send support letters during the markup process, given where things stand now, a Coalition position letter was submitted to House Appropriations Full Committee and Interior Subcommittee Democratic leaders and staff, and Senate Appropriations Full Committee and Interior Subcommittee Democratic and Republican leaders and staff.

Clean Water SRF and WIIN Grants: FY24 Appropriations

Clean Water SRF – the House Interior Appropriations bill provides \$1.005B (a general fund base allotment of \$535M plus \$470M for earmarks). The Senate Interior Appropriations bill provides \$1.639B (a general fund base allotment \$1.294B plus \$345M for earmarks). The Bipartisan Infrastructure Law (BIL), which was not changed by either bill, provides an additional \$2.628B for the CWSRF.

For the CWSRF, the President's FY 24 Budget proposed \$1.639B and rejected earmarks as a takedown from the basic SRF funding. For Title XVI, \$4M, the same as the FY23 Biden Budget.

Safe Drinking Water SRF - the House Interior Appropriations bill provides \$870.6M (a general fund base allotment \$460.6M plus \$410M for earmarks). The Senate Interior Appropriations bill provides \$1.126B (a general fund base allotment of \$882M plus \$244M for earmarks). 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 and rejected earmarks as a takedown from the basic SRF funding.

WIFIA - the House Interior Appropriations bill provides \$65.97M. The Senate Interior bill provides \$68M.

WIIN Grants – both the House and Senate Energy and Water Appropriations bills provide \$20M. The BIL provides an additional \$500M over five years, to be allocated annually by the USBR, with an estimated balance at the end of FY23 of @ \$200M.

Coalition members were encouraged, and re-encouraged, to contact their House and Senate Members to oppose the low general fund base allotment level for the SRF's to accommodate related earmark funding and to help reduce overall FY24 spending to FY22 levels, a goal of the House Republicans, and to support SRF funding at the expected FY24 level. Explanatory memos were provided to Coalition members on this issue along with sample House and Senate Member opposition and support letters for their use.

FY24 Appropriations Bills: General Status

To date, of the 12 appropriations bills, 10 have been approved by the House Appropriations Committee, including the Energy and Water and Interior bills. One bill, Military Construction, has passed the full House. In the Senate, all 12 appropriations bills have been approved by the Committee. None have passed the Senate. Given that only one of the 12 bills has passed either House and given that Congress now heads into a month plus recess, a continuing resolution is likely.

House Republican 10-Year Balanced Budget

Likelihood unclear given differences between the Speaker and his Budget Committee chair regarding what cuts would be included in a balanced budget. Initial report was for a ten year 1% annual increase in discretionary spending starting with the FY24 level. Depends upon the outcome of the FY24 appropriations process.

Earmarks

The Coalition continues to express concern about the FY24 appropriations process regarding final funding of the SRF's and related earmarks. For FY 22 and 23, 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 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.

Coalition 2023 WIIN Grant Applications

Per July 25 USBR communique, they are going through the review and approval of the NOFO now and said its release will likely be by the end of this month, although it may now be sometime in September.

Issues/Bills of Interest

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. Continue to pursue funding for the Program.

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.

STREAM Act – Senator Feinstein’s office has put out a request for help in getting cosponsors – especially Republicans – to demonstrate support for Floor consideration. We are working on this in coordination with other interested stakeholders. To review, the bill was introduced S.2162 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.

Napolitano WIIN Grant Reform Bill - her office said that they are monitoring action on the Feinstein bill to decide next steps.

Infrastructure Items - 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:

- \$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.