Drinking Water Equity/Analysis and Recommendations for the Allocation of the State Revolving Funds: Environmental Policy Innovation Center Report



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The Environmental Policy Innovation Center ("EPIC") issued a report titled:

Drinking Water Equity – Analysis and Recommendations for the Allocation of the State Revolving Funds ("Report")

The *Report* was also prepared by the University of Michigan.

The states allocate monies they obtain from the federal Drinking Water State Revolving Fund ("Fund"). The *Report* evaluates how over $25.3 billion in aid provided to drinking water systems (in the past 10 years) is distributed by the states.

EPIC states that this evaluation was undertaken through the use of national and state-level data from 2011 to 2020.

The *Report* concludes:

- Access to safe, reliable and affordable drinking water in the United States is uneven
- Disparities sometimes stem from unequal investments in infrastructure
- Unequal investments in infrastructure can result in lower quality service and public health consequences
- Drinking water systems serving low-resource communities:
- Tend to have less revenue
- Tend to have less access to capital finance projects

The *Report* identifies three mechanisms which it believes states can use to further equity through the allocation of these funds:

- Distributing assistance across more drinking water systems
- Providing grants (rather than loans) to low-resource communities
- Distributing assistance across demographic context in a just manner

Another recommendation includes the suggestion that states address disparities by targeting assistance towards:

- Communities with more health-based Safe Drinking Water Act violations
- Communities with lower median household incomes

Additional recommendations include:

- Provide more assistance to systems that have limited capacity to apply
- Engage third parties to advocate for communities and broker agreements
- Include poverty rates in state definitions of disadvantaged communities
- Assign priority points to disadvantaged communities
- Develop equity criteria for non-DAC communities
- Track the demographics of beneficiaries of fund-financed projects
- Require states to report on efforts to achieve proportionate allocation of funding

A link to the *Report* can be found here.