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Wastewater/Drinking Water Infrastructure Program Funding Developments: Congressional Research Service Report

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The Congressional Research Service ("CRS") issued a March 31st report titled:

Wastewater and Drinking Water Infrastructure Program Funding Developments ("Report").

The Report updates a number of issues associated with federal funding of wastewater and drinking water infrastructure.

The authors of the Report include CRS staffers:

- Elena H. Humphreys.
- Analyst in Environmental Policy.
- Jonathan L. Ramseur.
- Specialist in Environmental Policy.

CRS describes itself as constituting nonpartisan shared staff to Congressional Committees and Members of Congress. It operates solely at the behest of and under the direction of Congress.

The Report provides an update/discussion of the funding challenges facing municipal wastewater and drinking water infrastructure. The discussion includes an overview of the state revolving funds utilized by states for public drinking water and wastewater infrastructure. This includes the role the United States Environmental Protection Agency plays in providing grants to states to capitalize their revolving loan funds.

The Arkansas National Resources Commission operates the Drinking Water and Wastewater Funds in the State.

A focus of the Report is the status of 2025 Congressional funding. This includes a reference to the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4).

Also noted are certain observations:

...The practice of utilizing CPF/CDS for water infrastructure in the 117th and 118th Congresses has received attention from policymakers and stakeholders. Some have raised concerns about its effect on statutorily authorized SRF programs, while others may view the CPF/CDS process as a direct way to fund projects that may have a different priority on a state's IUP. P.L. 119-4 does not reserve CPF/CDS funds from the FY2025 SRF appropriations. Changing the funding level midway through FY2025 may have



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implications for several entities. For example, under the SRFs, states are required to provide a 20% match to receive their federal grant. Accordingly, to the extent that state SRF grants are increased, state budgets may need to be revised to provide an increased match. Further, uncertainties may exist for EPA and/or FY2024 CPF/CDS recipients given that prior continuing resolutions included CPF/CDS for FY2024 recipients.

A copy of the Report can be downloaded <u>here</u>.