



November 10, 2022

The Honorable Patrick Leahy, Chair
U.S. Senate Committee on Appropriations
Room S-128, The Capitol
Washington, D.C. 20510

The Honorable Rosa L. DeLauro, Chair
U.S. House Committee on Appropriations
H-307, The Capitol
Washington, D.C. 20515

The Honorable Richard Shelby, Vice Chair
U.S. Senate Committee on Appropriations
Room S-128, The Capitol
Washington, D.C. 20510

The Honorable Kay Granger, Ranking Member
U.S. House Committee on Appropriations
H-307, The Capitol
Washington, D.C. 20515

Re: Funding “Earmarks” through the Clean Water and Drinking Water State Revolving Funds

Dear Senators Leahy and Shelby and Representatives DeLauro and Granger:

On behalf of the state and territorial drinking water programs, the Association of State Drinking Water Administrators (ASDWA) respectfully requests that Congress provide the full authorized amounts for water infrastructure programs in the Fiscal Year 2023 (FY23) Omnibus Appropriations package for the Clean and Drinking Water State Revolving Funds (SRFs). Full funding of FY23 appropriations for the overall SRFs is critical if Congress continues using the SRFs, rather than separate State and Tribal Assistance Grant (STAG) funding, to fund Congressionally Directed Spending/Community Project Funding. We understand Congress’ use of these appropriations “earmarks” to help individual water and wastewater systems undertake important local water infrastructure projects but want to ensure that any funding for earmarks does not hinder access to SRF financing by all eligible communities and the SRF’s long-term viability.

The SRF’s long-term viability will be negatively impacted if these “earmarks” continue to reduce the SRF capitalization grants, even with the increased infrastructure funding through the Bipartisan Infrastructure Law (BIL). With Congress using the SRF capitalization grants to fund “earmarks,” DWSRF funding was reduced by \$393 million or 35% and, for the CWSRF, the funding was reduced by \$425 million or 27%. States and their respective SRFs are concerned that the reductions in the capitalization grants will continue for future appropriations cycles and significantly undermine the SRF programs’ ability to provide a recurring source of low-cost funding to meet the perpetual need for sustained investment in water infrastructure.

The SRFs are state operated programs. States expend a significant amount of time and resources with staff, project management, project inspections, day-to-day operations, etc. The “earmarks” reduce the funding through set-asides that is available for state staff to appropriately manage these critical funding programs. For example, in one state, the maximum program management set aside went from \$1,276,300 (2021) to \$813,000 – a \$463,300 decrease which equates to 5 or 6 Full-Time Equivalent (FTEs).

Beyond the negative impacts on long-term viability, using the SRF capitalization grants to fund “earmarks” ignores the states’ proven processes for prioritizing the limited funding for water infrastructure. As a result, construction of the highest priority projects in a state will be delayed, which can potentially increase the risk to public health and the environment. States are finding that these “earmarked” projects are jumping ahead of the long line of projects that await funding that will serve disadvantaged communities. The states have the most “on-the-ground” knowledge of the systems with the highest priority needs.

Reducing the SRF capitalization grants can negatively impact small, rural, and disadvantaged communities by reducing the funding available for technical assistance, source water protection and capacity development under the Public Water Supply Supervision (PWSS) program. Additionally, less funding is available for 100% principal forgiveness for consolidation projects that regionalize small community water systems that are not in compliance with SDWA requirements and/or otherwise not sustainable.

Thank you for commitment to funding water infrastructure across the country and the work that you do to protect public health and the environment.

Sincerely,



J. Alan Roberson, P.E.
ASDWA Executive Director

