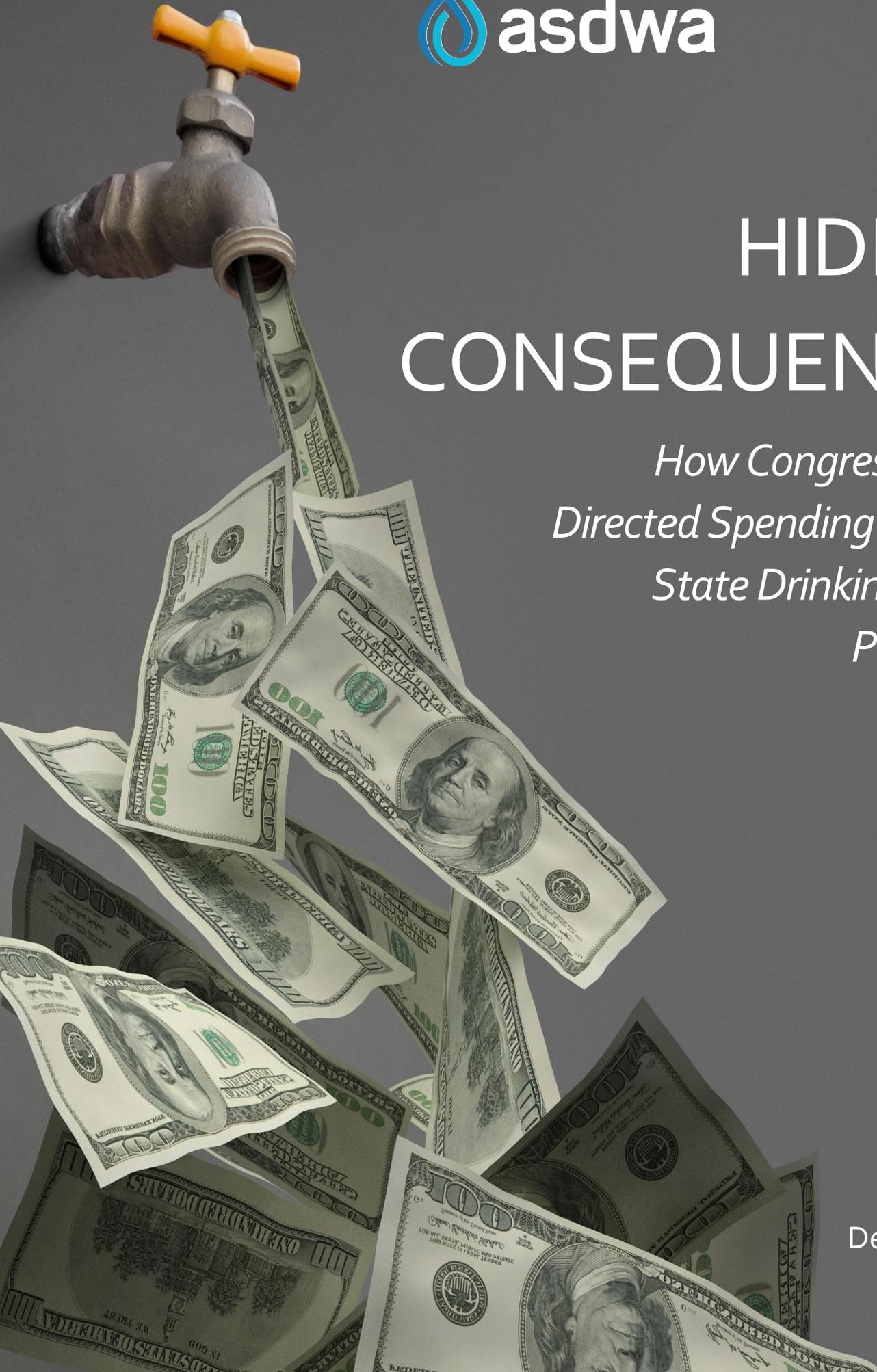




# HIDDEN CONSEQUENCES

*How Congressionally  
Directed Spending Impacts  
State Drinking Water  
Programs*

December 2023



## Executive Summary

Congressionally Directed Spending (CDS), also known as earmarks, was banned by the House of Representatives in 2011. In fiscal year 2022, this ban was lifted, and Congressional members began to use the Drinking Water State Revolving Fund (DWSRF) capitalization grants to fund CDS community projects. This practice continued into fiscal year 2023. Funding for CDS projects is taken from the capitalization grants that go to the states and dispersed directly to the communities as grants. This practice significantly reduces the overall funding available to a state to support construction projects and for states to take as set-asides. States can use set-asides to fund drinking water programs that ensure water systems meet regulatory standards. These funds can also be used for state programs or technical assistance providers to improve drinking water system compliance and increase public health protection.

Every dollar taken for CDS projects has significant adverse consequences for state regulatory and technical assistance programs, from the funding of staff to the implementation of longstanding programs that provide vital support for communities nationwide. These state programs largely benefit small, rural water systems and disadvantaged communities. If these reductions in funding continue, it may threaten the ability of some states to maintain primary enforcement authority to implement the Safe Drinking Water Act, leaving this responsibility to EPA. Between fiscal years 2022 and 2023, \$1,007,021,093 was diverted from the DWSRF and used for CDS projects, decreasing the total capitalization grants for the DWSRF programs by nearly 45%<sup>i</sup>. A significant increase in CDS projects was seen between 2022 and 2023, from roughly 35% of the total capitalization grant in 2022 to 54% in 2023. This resultant decrease in the capitalization grant equates to a reduction in state set-asides of \$312,176,802, or 44.7% of the total anticipated set-asides for FY 2022 and 2023.

ASDWA sent a survey to all 50 states in May 2023 to characterize the impacts of CDS projects on their drinking water programs. Responses to this survey highlighted how reliant state programs have become on SRF set-asides (as shown below in Table 1), primarily due to the Public Water System Supervision (PWSS) grants program only seeing two small increases in the past decade.

25% or less	8 states
26-50%	20 states
51-75%	11 states
76% or more	7 states

Table 1. Percentage of state drinking water program staff funded by DWSRF set-asides

This survey and ongoing conversations with state staff stressed the potentially significant adverse impacts on state programs if Congress continues to use the DWSRF funds for CDS projects.

1. **A lack of funding could lead to adverse public health consequences.** A decrease in funding for state drinking water programs may compel states to prioritize some public health threats over others. Without adequate state oversight, water systems may experience preventable operational or managerial failures, leading to adverse public health impacts. Additionally, fewer

state resources mean less opportunity to work individually with water systems to help solve problems and return systems to compliance. Without sufficient funding, water system failures may become more commonplace as state programs struggle to keep up.

2. **Longstanding programs in place to assist water systems are at risk of disappearing.** State programs that address water system workforce issues, assist with engineering needs, and emergency response (among others) often rely on the funds from the SRF set-asides. As new regulatory requirements fall into place and additional threats emerge, struggling systems need help now more than ever. Without state assistance, many communities will not have the necessary support to address growing challenges.
3. **CDS projects take away from the “revolving” funding for future water infrastructure projects.** The funding diverted from the SRFs for CDS projects is provided to the systems as grants and, therefore, does not “revolve” back into the SRF programs as low-interest loans would. Over time, this impact will be compounded, decreasing funding for future water infrastructure projects. Our nation’s water infrastructure has suffered from chronic underinvestment over the past decades while funding needs continue to grow. Significant investments will be needed to ensure communities nationwide have access to safe and reliable drinking water for generations to come.
4. **CDS projects bypass established project ranking processes and take funding away from more “disadvantaged communities.”** Congress’s use of CDS projects removes state DWSRF programs from the decision-making process. State DWSRF programs have boots on the ground daily, assisting local communities to increase public health protection. The programs understand the needs of their communities and have policies and processes in place to identify and prioritize those water systems that need funding the most. By circumventing this process, CDS projects take away funding from high-priority communities and projects that states have already identified. Sound infrastructure investments must be made by relying on the best-suited experts to identify the communities most in need and the projects most sustainable.

This white paper highlights state drinking water programs' alarming decrease in funding due to the use of the DWSRF capitalization grants for funding CDS projects. ASDWA is not alone in highlighting the severity of the threat to these programs. The [National Governor’s Association](#)<sup>ii</sup>, [National Conference of State Legislators](#)<sup>iii</sup>, and the [Environmental Council of the States](#)<sup>iv</sup> have all written to Congressional leadership, asking Congress to rethink how CDS projects are funded.

State programs rely on the DWSRF funding to support their drinking water systems and ensure communities big and small have safe, reliable, and adequate water supplies. Water systems rely heavily on state drinking water programs for technical assistance and funding to ensure the PWSs comply with all applicable federal requirements. State drinking water programs must have sufficient funding to sustain efforts that protect public health and maintain the economic health of communities now and into the future.

## History of the Drinking Water State Revolving Fund (DWSRF)

The 1996 amendments to the [Safe Drinking Water Act \(SDWA\)](#) (42 U.S.C. §300j-12) established the Drinking Water State Revolving Fund (DWSRF) program<sup>v</sup>. This program provides public water systems (PWSs) and states with financial assistance through low-interest loans, grants, principal forgiveness, and negative-interest rate loans. These funds help PWSs to meet the public health protection focus of the SDWA. The state DWSRF programs have a long and successful history of providing financial assistance to small and disadvantaged water systems and their communities. Since its inception in 1997, the DWSRF program has provided 18,363 assistance agreements nationwide. Of this, 35% went to disadvantaged communities<sup>vi</sup>. In total, \$53 billion has been provided to communities of all types through the DWSRF. [EPA's 2022 DWSRF Annual report](#) estimated that the below-market DWSRF interest rates have resulted in approximately \$12.5 billion in savings to local community ratepayers. These investments pay remarkable dividends – supporting our economy and protecting public health.

---

*Below-market DWSRF interest rates have resulted in approximately \$12.5 billion in savings to local community ratepayers.*

---

Each year, Congress appropriates funding to EPA to be distributed to the state DWSRF programs, known as capitalization grants. EPA allocates a certain percentage of that funding (a minimum of 1%) to each state based on the most recent [Drinking Water Infrastructure Needs Survey and Assessment \(DWINSA\)](#). The DWINSA is a statistical survey sent by EPA to public water systems throughout the country and estimates the infrastructure needs that are eligible for the DWSRF. From the capitalization grants, states may use up to 31% of their total capitalization grants from EPA as set-asides to help fund state programs and activities. These set-asides can include four percent for DWSRF program administration but also cover a wide range of programmatic activities<sup>1</sup>.

Historically, states used [Public Water System Supervision \(PWSS\) grants](#) to implement their drinking water programs. Since 1976, Congress has annually appropriated PWSS funds to EPA to assist states, territories, and tribes in carrying out their drinking water programs. However, for the majority of the past decade, with the exception of increases in two years, this funding has remained stagnant. As regulatory responsibilities increased and PWSS funding stayed the same, states began to rely more heavily on the SRF set-asides to bridge this gap and maintain their regulatory programs with the increased responsibilities.

## The Problem: The Impacts of CDS Projects on State Drinking Water Programs

Congressionally Directed Spending (CDS), also known as earmarks, was banned by the House of Representatives in 2011. However, this ban was lifted in fiscal year 2022, when members began utilizing the CDS process again. In 2023, the Clerk of the House of Representatives defined “earmarks” as,

*“a provision or report language included primarily at the request of a Member, Delegate, Resident Commissioner, or Senator providing, authorizing or recommending a specific amount of*

---

<sup>1</sup> A full breakdown of eligible activities for set-asides can be found on [EPA's DWDWSRF webpage](#).

*discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality or Congressional district, other than through a statutory or administrative formula-driven or competitive award process.<sup>vii</sup>*

Before the ban, earmarks were used to fund a small number of water infrastructure projects. The funding for these projects came from the State and Tribal Assistance Grants (STAG) that is appropriated to EPA by Congress, which includes appropriations for the two SRF programs. However, in the past, although the funding for earmarks came from the STAG grant, this funding did not come from the SRF programs<sup>viii</sup>. Funding for earmarks accounted for 16% of the total STAG grant between 1989-2005, ranging from 3-31% during each fiscal year<sup>ix</sup>. When Congress began using earmarks again in fiscal years 2022 and 2023, the STAG grant was reduced. Unlike previous years, Congress opted to take these funds directly from the SRF capitalization grants (Figure 1). Funding for these CDS community projects is taken from the DWSRF capitalization grants and dispersed as 100% grants. As these project funds are taken from the capitalization grants to the states, the CDS funding significantly reduces the amount of set-asides available to states.

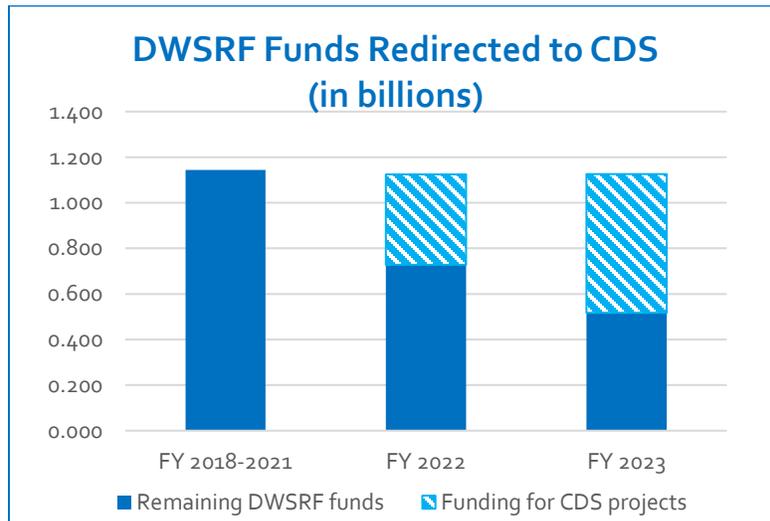


Figure 1. Amount of Drinking Water State Revolving Funds being used for Congressionally Directed Spending Projects in fiscal years 2018-2023.

For every dollar taken for CDS projects, up to 31 cents is diverted from the states for the administration of drinking water programs, with extensive implications for the funding of state staff and longstanding programs in place that provide vital support for our local communities. These programs largely benefit small, rural water systems and disadvantaged communities. ASDWA members have voiced concerns that a continued reduction in the set-asides could threaten the

*For every dollar taken for CDS projects, up to 31 cents are taken from state set-asides.*

ability to maintain SDWA primacy<sup>2</sup>. Between fiscal years 2022 and 2023, \$1,007,021,093 was used for CDS projects, decreasing the total capitalization grants for the DWSRF programs by nearly 45%<sup>i</sup>. A significant increase in CDS projects was seen between 2022 and 2023, from roughly 35% of the total capitalization grant to 54%. This decrease in the capitalization grant equates to a reduction in set-asides of \$312,176,802, or 44.7% of the total set-asides for FY 2022 and 2023.

## ASDWA's Survey to Members

### Survey questions

The discussions at ASDWA's Member Meeting in March 2023 focused on the need to better understand how reliant primacy agencies are on DWSRF set-asides. ASDWA started work on a survey to determine the number of full-time equivalent (FTE) state staff funded by set-asides, as well as programmatic activities dependent on these funds. Multiple states had also reported an increased workload due to numerous requests for letters of support for specific CDS projects. ASDWA's survey hoped to develop a better understanding of the impacts of those requests. Additional discussions resulted in the following questions, which were sent to each primacy agency:

1. How many FTEs within your program are funded by State Revolving Fund set-asides?
2. How many FTEs does your program have in total?
3. How many FTEs within your program are at risk of losing funding due to the decrease in SRF set-asides?
4. What programs or responsibilities do these staff oversee? (e.g., SRF, PWSS, compliance, technical assistance, etc.)
5. Besides FTEs, what other primacy agency activities are funded by set-asides? (ex. technical assistance)
6. Is your workload being impacted by CDS projects? (ex. Senators requesting letters of support from the SRF programs for the CDS projects)

### Survey Results

ASDWA sent the survey to all 50 states in May 2023, and 46 responded. ASDWA staff used the data on the number of FTEs funded by set-asides and the total FTEs to determine the proportion of FTEs funded by set-asides. The number of FTEs funded by set-asides ranged from one FTE to all FTEs within a state program. Table 1 shows a breakdown of these results. Seven states fund 25% or less of their staff with set-asides, 20 states fund 26-50%, 11 states fund 51-75%, and eight states fund 76% or more. Of 3,439 FTEs across all 46 programs, 1,436 FTEs are funded using DWSRF. With this data, ASDWA estimates that 1,544 FTEs out of 3,667 nationally are funded by DWSRF set-asides<sup>3</sup>, equating to over 42% of all FTEs. The long-term impact of CDS projects on state drinking water programs is unclear, and the uncertainties surrounding the future funding of CDS projects challenge future programmatic planning. Multiple states responded to the question regarding how many FTE positions are at risk from

---

<sup>2</sup> "Primacy" is the primary enforcement responsibility to implement SDWA's Public Water System Supervision Program. The EPA delegates primacy for public water systems to states, territories, and Indian Tribes if they meet special requirements. All states (except for Wyoming) have primacy, as well as the Navajo Nation, Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of Northern Mariana Islands.

<sup>3</sup> Estimates were determined by using median of total staff and the median of number of staff funded by DWSRF set-asides

this loss of funding as “unknown” at this point. The survey also made it clear that the staff funded by DWSRF set-asides are not solely those that implement the DWSRF programs. States reported staff being responsible for all programmatic activities throughout the drinking water program.

Table 1. Percentage of state drinking water program staff funded by DWSRF set-asides

25% or less	8 states
26-50%	20 states
51-75%	11 states
76% or more	7 states

ASDWA’s members have continually stressed how important DWSRF set-asides are for their programmatic activities beyond just funding the FTEs to oversee them. Figure 2 is a non-exhaustive list of activities reported in the survey that states perform using set-asides. Much of this work falls under technical assistance, which respondents noted as particularly important.

### Activities Funded by DWSRF Set-Asides

- Infrastructure improvement plans
- Financial planning training
- Operator training and certification
- Source water protection activities
- Safe Drinking Water Information System (SDWIS) management
- Asset management assistance
- Assistance with small system engineering plans
- Assistance applying for funding
- Staff travel for technical assistance trainings and activities
- Improving a system’s technical, managerial, and financial capacity
- Compliance activities
- Operation and Maintenance assistance, such as equipment and generators
- Assistance with developing lead service line inventories
- Cybersecurity
- Private well examinations
- PFAS sampling
- Rate setting training and analysis
- Mapping applications
- Loan tracking software
- Emergency preparedness
- Treatment pilot programs
- Engineering reports for SRF applications

Figure 2. A non-exhaustive list of activities reported in the survey that states perform using set-asides funding.

[EPA's 2017 analysis on the use of DWSRF set-asides](#) looked at how state drinking water programs use the DWSRF set-asides<sup>x</sup>. The Agency's report split these activities into nine categories and, through various literature sources, determined how many states utilized set-asides in each of these categories (Figure 3). These categories encompass many of the same activities that ASDWA members reported in ASDWA's 2023 survey. EPA's category for training and technical assistance includes a large variety of activities, including outreach, training, technical and financial assistance to PWSs, contracting with third-party providers, loan application support, system audits, financial asset planning and design, and technical consultation. EPA's 2017 results align with ASDWA's 2023 survey, highlighting that training and technical assistance are the activities most commonly funded by set-asides.

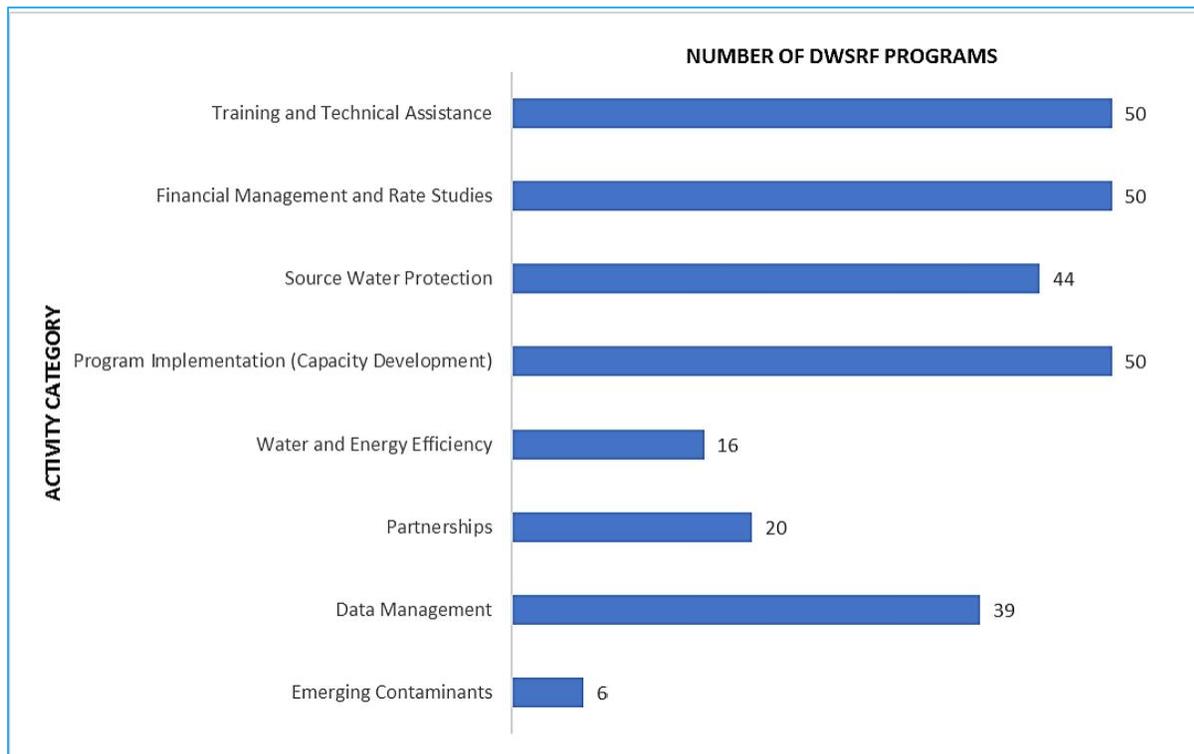


Figure 3. Number of DWSRF Programs that Fund Activities within Each Category Using Set-Aside Funds. From EPA's 2017 Report: Analysis of the Use of Drinking Water State Revolving Fund Set-Asides, Building the Capacity of Drinking Water Systems

Nearly half of the survey respondents noted they have received requests from Congressional members to provide letters of support for projects being put forward for CDS funding. These requests are unique to CDS water infrastructure projects and have increased staff workload. One state noted that these requests have taken away significant time needed to implement critical programs, including the substantial workload from the Infrastructure Investment and Jobs Act of 2021 (IIJA) as states absorb increased numbers of water infrastructure applications and requests for technical assistance. This state emphasized that it wants to support the projects that Congressional members are putting forward but that these requests should not negatively impact their programs.

Another point made by several states is that the short-term increase in funding under IIJA masks the full impact of diverting the DSWRF funding to support CDS projects. A report by the Congressional Research Service found that states, territories, and tribes with no CDS projects saw a 36% and 55% reduction in available drinking water infrastructure funding in fiscal years 2022 and 2023, respectively<sup>vii</sup>. However, once IIJA funding was accounted for, these impacts decreased to only a 14% and 19% reduction, respectively<sup>viii</sup>.

A majority of ASDWA's members reported that their state could use IIJA funding to make up for the funding gap left by the CDS diversions, at least partially. However, states highlighted that there are more restrictions in using the set-asides from the IIJA funding compared to the traditional capitalization grants. Additionally, IIJA funding runs out after 2026. Including this funding in the discussion on the impacts on state drinking water programs conceals the true impact of CDS projects. At this juncture, how successful IIJA funding will be at ensuring states are able to fund their staff for both short-term and long-term is unclear. For those states planning to utilize IIJA money to offset the impacts of CDS projects, the future remains uncertain.

## Impacts to State Drinking Water Programs

### Lack of Funding Could Lead to Adverse Public Health Consequences

Limited financial and staff resources and increasing demands from new regulatory requirements present a difficult challenge for state drinking water staff to maintain existing regulatory programs to ensure public health protection. ASDWA's 2019 analysis<sup>xi</sup> found that drinking water programs needed a 65% increase in available funding (from \$574 million to \$949 million) and an 82% increase in existing FTEs (from 4,121 to 7,518) for effective program implementation in 2020. The analysis projected that by 2029, state drinking water program funding and workforce would need to double to ensure safe drinking water programs are effective (Figure 4).



Year	Available Staffing (from all sources)	Needed Staffing (from all sources)	Gap
FY 2020	4,121 FTEs	7,518 FTEs	3,397 FTEs
FY 2029	4,121 FTEs	8,268 FTEs	4,147 FTEs



Year	Available Funding (from all sources)	Needed Funding (from all sources)	Gap
FY 2020	\$574 million	\$949 million	\$375 million
FY 2029	\$574 million	\$1.043 billion	\$469 million

Figure 4. From ASDWA's 2019 Needs Survey. Estimated FTE and funding needed for state drinking water programs in 2020 and 2029.

This analysis does not include new regulatory requirements and emerging issues. These new requirements include the upcoming National Primary Drinking Water Regulation (NPDWR) for PFAS, implementation of the Lead and Copper Rule Revisions (LCRR), including assisting water systems with lead service line inventories and replacements, updated consumer confidence reports, and cybersecurity. Implementing just the PFAS NPDWR and LCRR is expected to create the need for an additional 652 FTEs<sup>4</sup> in addition to the existing gap noted in Figure 4. Inadequate state oversight may result in preventable operational or managerial failures, potentially resulting in adverse public health consequences. Additionally, fewer state resources mean less opportunity to work individually with water systems to improve public health protection. States consistently step in to help solve problems and return systems to compliance.

---

*State drinking water programs need more funding, not less.*

---

Additionally, states must maintain capacity development<sup>5</sup> and operator certification programs<sup>6</sup> to receive the maximum amount of capitalization grants from EPA<sup>i</sup>. Without these programs, the SDWA mandates a 20% reduction in their capitalization grants for each missing program. These programs, along with technical assistance and source water protection efforts, become even more crucial as the regulatory requirements are expanded and create the need for increased state oversight.

State staff workloads have continued to increase and show no sign of slowing down or stopping. Any reduction in federal funding for state water programs, no matter how small, exacerbates the existing financial difficulties. If Congress continues to divert the DWSRF capitalization grants to fund CDS water infrastructure projects, states will have to make tough decisions about how to prioritize their existing programs for regulatory oversight and their successful non-regulatory endeavors, such as assisting systems address cybersecurity concerns. Water system failures may become more commonplace as state programs struggle to keep up with increasing demands without sufficient resources. State drinking water programs need more funding, not less.

## A reduction in set-asides threatens long-standing programs that provide assistance to water systems

ASDWA members are considering options for making strategic changes to their budgets and activities to align with significantly reduced funding levels. Given these budget cuts, ASDWA members have emphasized that their first priority is to retain programmatic staff tasked with carrying out primary regulatory enforcement responsibilities. State technical assistance programs are, therefore, at risk of being cut from state budgets. These state programs have been helping water systems for decades. As shown in the survey results, “technical assistance” encompasses a wide variety of activities, from

---

<sup>4</sup> This number was determined by internal analysis, including ASDWA’s [Costs of States’ Transactions Study \(CoSTS\)](#) developed in response to the proposed Lead and Copper Rule Revisions and the PFAS CoSTS (PCoSTS) model, an adaptation of the CoSTS model for the proposed National Primary Drinking Water Rule proposal for PFAS.

<sup>5</sup> Under Section 1420 of the Safe Drinking Water Act, if a state does not have a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity (referred to as a capacity development strategy), the state will only receive 80% of its capitalization grant.

<sup>6</sup> Under Section 1452 of the Safe Drinking Water Act, the EPA “Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section unless the State has met the requirements of 1419 (relating to operator certification).”

assisting systems with their SRF applications and engineering reports to developing lead service line inventories and becoming more resilient to natural disasters.

Often, it is disadvantaged communities that benefit most from these programs, as their water systems frequently lack the necessary technical and managerial knowledge to best operate and maintain their systems. These shortcomings may eventually lead to non-compliance and adverse public health consequences that could have been avoided with proper help from state programs. Technical assistance programs help ensure that water systems can meet their needs and provide their customers with the highest quality drinking water. Additionally, some states have used set-asides for private well examinations, construction, and maintenance<sup>xii</sup>. The SDWA does not cover private wells, and therefore, states are not bound to provide support to these individual homeowners. If set-aside funding continues to be reduced, technical assistance programs will likely significantly decrease or may cease to exist.

## CDS projects take away from the “revolving” funding for future water infrastructure projects and put DWSRF programs at risk

Beyond state FTEs and programmatic activities, CDS projects threaten the longevity and sustainability of the SRF programs. The funding diverted from the SRFs for CDS projects goes out as grants and, therefore, does not “revolve” back into the SRF programs as low-interest loans would. It has been estimated that for every dollar CDS projects take, the long-term loss to SRF programs nationwide will be 26 percent greater than the dollar amounts earmarked<sup>xiii</sup>, meaning that \$2.3 billion earmarked equates to a \$2.9 billion loss<sup>7</sup>. This takes away from future water infrastructure projects that benefit from the revolving nature of these loans, especially those communities that rely on SRFs to fund projects when the water system may be unable to compete in the bond market. This impact will be compounded over time, and as CDS projects continue to pull from the base capitalization grants, less funding will be added to SRFs, and communities nationwide will continue to lose out on the long-term benefits of these revolving funds.

EPA’s 7th Drinking Water Infrastructure Needs Survey and Assessment ([DWINSA](#)) estimates that \$625 billion will be needed for infrastructure improvements over the next 20 years. This is a 32% increase over the 6th DWINSA (\$472.6 billion)<sup>xiv</sup>. Over the past decades, chronic underinvestment in our water infrastructure has left us with a continually increasing problem. The DWSRF program has been a consistent source of affordable funding for PWSs and their communities to undertake critical infrastructure improvements. Looking toward the future, significant investments will be needed to ensure our communities have access to the drinking water needed for generations.

## The use of CDS projects bypass established project ranking processes and take funding away from more “disadvantaged communities”

Each year, the state DWSRF programs must draft an Intended Use Plan (IUP) that outlines the DWSRF program’s plan for using their capitalization grants. Alongside the IUP, states create a Project Priority List (PPL), which provides a ranked list of the projects the state intends to receive DWSRF funds. The

---

<sup>7</sup> Analysis by the Environmental Policy Innovation Center (EPIC), based on average loan terms and interest rates of 30 years and 2 percent, respectively. Additionally, EPIC notes that this loss only considers the circulation of earmarked funds over the initial 30-year loan term, so given the nature of revolving funds, EPIC argues the loss would continue to compound over time.

DWSRF programs' IUPs and PPLs must be provided to the public for review and comment before submitting to EPA for review to allow the agency an opportunity to give the state program additional feedback.

While the House and Senate have rules regarding what projects can use CDS funds, such as ensuring a project would otherwise be eligible for DWSRF funds<sup>viii</sup>, the CDS listing process removes state SRF programs, EPA, and the public from the prioritization and decision-making process. State DWSRF programs are intimately aware of the needs of the communities within their state and have developed definitions and processes to identify those water systems that need help the most. Whether a community needs assistance in upgrading existing infrastructure or financial help to come back into compliance with SDWA, state staff have the greatest knowledge of local conditions to make these determinations. By circumventing this process, CDS projects take away funding from communities with a greater need to protect public health and provide safe and reliable drinking water.

---

*By circumventing this process, CDS projects may take away funding from communities that have a greater need.*

---

An analysis of the 2023 omnibus spending bill found that, although most CDS projects were in communities below the state median household income<sup>8</sup>, some communities who received this grant funding had average incomes over twice that of the state median<sup>xv</sup>. By circumventing SRF programs, CDS projects take away funding from high-priority communities and projects that states have already identified. State SRF experts are best suited to identify the communities most in need and the projects most sustainable.

## Conclusion

This white paper highlights the potentially adverse impacts on state drinking water programs from the increasing use of the DWSRF capitalization grants for CDS projects. States need sustainable, predictable, and reliable federal support through the PWSS grants and DWSRF programs to maintain public health protection and to support the needs of the water systems the state oversees. These programs provide critical funding that states need to work with drinking water systems to ensure communities have safe, reliable, and adequate water supplies. Water systems rely on state staff to ensure compliance with all applicable federal requirements. Whether through technical assistance, capacity development, or source water protection, the relationships between state drinking water programs and water systems are critical to the continued availability of safe drinking water.

Contamination events and water supply interruptions across the country are clear reminders of the critical work that state staff undertake daily. Over 90% of the US population receives water used for bathing, cooking, and drinking from a water system overseen by state personnel<sup>xvi</sup>. State drinking water programs must have adequate funding to protect public health and maintain the economic health of communities now and into the future.

---

<sup>8</sup> Median household income is the most common indicator for identifying a "disadvantaged community" for state DWSRF programs. See ASDWA white paper: [A New Era for the Drinking Water State Revolving Funds](#)

- 
- <sup>i</sup> Council of Infrastructure Financing Authorities. (2023, January 24). Clean Water and Drinking Water State Revolving Funds (SRFs) Federal Funding for Fiscal Year 2023. [https://www.cifanet.org/files/ugd/ce9ad4\\_e331d848f3194e658d505cb4a169fe6a.pdf](https://www.cifanet.org/files/ugd/ce9ad4_e331d848f3194e658d505cb4a169fe6a.pdf)
- <sup>ii</sup> National Governor's Association. (2023, September 14). Governors Urge Congress To Address Water Infrastructure Funding Cuts. <https://www.nga.org/advocacy-communications/letters-nga/governors-urge-congress-to-address-water-infrastructure-funding/>
- <sup>iii</sup> National Conference of State Legislators. (2023, September 26). Letter to Senate and House Leadership. [https://documents.ncsl.org/wwwncsl/State-Federal/SRFAppropriations\\_Final.pdf](https://documents.ncsl.org/wwwncsl/State-Federal/SRFAppropriations_Final.pdf)
- <sup>iv</sup> Environmental Council of the States. (2023, September 20). Letter to Senate and House Leadership on Funding for the Clean Water and Drinking Water State Revolving Funds. <https://www.ecos.org/wp-content/uploads/2023/09/ECOS-Sign-On-Letter-to-Congress-on-Water-Infrastructure-Funding.pdf>
- <sup>v</sup> Safe Drinking Water Act. 42 U.S.C. §300j-12. (1996).
- <sup>vi</sup> United States Environmental Protection Agency. (2023, October). 2022 DWSRF Annual Report. <https://www.epa.gov/system/files/documents/2023-10/2022-dwsrf-annual-report.pdf>
- <sup>vii</sup> Cheryl L. Johnson. (2023, January 10), "[Rules of the House of Representatives](#)" Clerk of the House of Representatives. p. 37.
- <sup>viii</sup> Congressional Research Service. (2023, July 25). The Role of Earmarks in CWSRF and DWSRF Appropriations in the 117th Congress. <https://crsreports.congress.gov/product/pdf/R/R47633>
- <sup>ix</sup> Copeland, C. Congressional Research Service. (2006, December 13). Water Infrastructure Project Earmarks in EPA Appropriations: Trends and Policy Implications
- <sup>x</sup> Environmental Protection Agency. (2017, October). Analysis of the Use of Drinking Water State Revolving Fund Set-Asides, Building the Capacity of Drinking Water Systems. [https://www.epa.gov/sites/default/files/2017-10/documents/final\\_dwsrf\\_2017\\_report\\_508compliant.pdf](https://www.epa.gov/sites/default/files/2017-10/documents/final_dwsrf_2017_report_508compliant.pdf)
- <sup>xi</sup> Association of State Drinking Water Administrators. (2020, July). 2019 Analysis of State Drinking Water Programs' Resources and Needs. <https://www.asdwa.org/wp-content/uploads/2020/07/2019-Analysis-of-State-Drinking-Water-Programs-Resources-and-Needs.pdf>
- <sup>xii</sup> PennState Extension. (2023). Master Well Owner Network. Accessed November 27, 2023 from <https://extension.psu.edu/programs/mwon>
- <sup>xiii</sup> Vo, S. Environmental Policy Innovation Center. (May 2). Adequate and stable base funding is critical for the longevity of State Revolving Fund Programs. <https://www.policyinnovation.org/blog/base-funding-critical-for-srfs>
- <sup>xiv</sup> United States Environmental Protection Agency. (2023, April). Fact Sheet: 7th Drinking Water Infrastructure Needs Survey and Assessment. [Final DWINSA Public Factsheet 4.4.23.pdf \(epa.gov\)](#)
- <sup>xv</sup> Grimshaw, W., Vo, S, and Hansen, K. Environmental Policy Innovation Center. (February 27). Who benefits from State Revolving Fund Earmarks? <https://www.policyinnovation.org/blog/who-benefits-from-state-revolving-fund-earmarks>
- <sup>xvi</sup> United States Environmental Protection Agency. (2023, November 7). Information about Public Water Systems. Accessed December 11, 2023 from <https://www.epa.gov/dwreginfo/information-about-public-water-systems>