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The Role of Earmarks in SRF Appropriations in the 118th Congress

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SUMMARY

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The Role of Earmarks in SRF Appropriations in the 118th Congress

The condition of the nation's drinking water and wastewater systems continues to garner congressional attention. The U.S. Environmental Protection Agency (EPA) periodically reports on the capital cost of wastewater and drinking water infrastructure needs. EPA's 2024 report on wastewater estimates found that the nation's wastewater treatment facilities will need $630.1 billion (in 2022 dollars) over 20 years to meet federal water quality objectives. EPA's 2023 report on drinking water indicates that public water systems need to invest $625 billion (in 2021 dollars) in infrastructure improvements over 20 years to ensure the provision of safe drinking water. In response to an optional survey of selected water systems by the Department of Health and Human Services, these systems reported that an average of 20% of their customers missed water payments, and that, as a result, these systems assert they may be challenged to support operations, maintenance, and capital improvements.

To assist with local water infrastructure projects, Congress has authorized several federal financial assistance programs, and it has provided regular, and, in some cases, supplemental appropriations for several of these programs. Among these are the Clean Water State Revolving Fund (CWSRF), authorized by the Clean Water Act (CWA), and the Drinking Water State Revolving Fund (DWSRF), authorized by the Safe Drinking Water Act (SDWA). Under both SRF programs, EPA receives appropriations and allots the funding as grants to the states (including Puerto Rico). Each state uses its federal grant to capitalize revolving loan funds to support local water infrastructure projects. The District of Columbia (DC), territories, and tribes do not operate revolving loan funds but receive allotments from CWSRF and DWSRF appropriations.

The 117th Congress increased funding for the state revolving funds (SRFs) through the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58). The IIJA provides five fiscal years of emergency supplemental appropriations for the SRFs, representing a substantial increase over recent regular appropriations for these programs. Also, the 117th Congress reestablished the process of providing funding directly for specific water infrastructure projects through community project funding/congressionally directed spending (CPF/CDS) items, commonly known as *earmarks*.

In the 118th Congress, the Consolidated Appropriations Act, 2024 (P.L. 118-42) provides regular appropriations for the SRFs, and continues CPF/CDS. Just as in the 117th Congress, the act reserves a portion of each SRF appropriation for CPF/CDS items rather than providing a separate appropriation for CPF/CDS. The act dedicates just over half ($1.41 billion) of the combined SRF regular appropriations ($2.76 billion) to 1,022 drinking water and wastewater project earmarks. The reservation of funds for earmarks effectively reduces SRF regular appropriations. The effect of this reduction in available SRF funding is distributed uniformly among states, as EPA uses either a statutory formula or the latest drinking water infrastructure needs survey to determine state allotments of CWSRF and DWSRF grants, respectively.

In both the 117th and 118th Congresses, some states and territories did not receive any earmarked funds. For FY2024, Congress did not earmark funds for any projects in Montana, North Dakota, Wyoming, the District of Columbia, Puerto Rico, American Samoa, the U.S. Virgin Islands, or Guam. Among the states and territories that received earmarked funds, those funds were not evenly distributed. It is unclear how these selections were made.

The reservation of CPF/CDS from the SRF appropriations in the Consolidated Appropriations Act, 2024 (P.L. 118-42) resulted in changes in the distribution of water infrastructure funding—as CPF/CDS and through the SRF capitalization grant—going to projects in states, territories, and tribes, relative to a hypothetical scenario in which the SRF appropriations were distributed entirely via the SRF programs. How much more or less each state, territory, and tribe received, given the presence of these earmarks, varies relative to what they would have received if the SRF appropriations were distributed entirely via the SRF programs. The effect of reserving funds for CPF/CDS items from regular appropriations on state SRF programs has been offset in part by IIJA supplemental appropriations for the SRFs.

The practice of providing CPF/CDS for water infrastructure projects from SRF appropriations shifts the process of who decides which water infrastructure projects will receive this funding from state program officials to Members of Congress. Also, through the joint explanatory statement, the appropriations committees provide direction to EPA regarding the timeliness of CPF/CDS administration, and direct EPA to propose a legislative structure to allow for state administration of CPF/CDS. Whether CPF/CDS continues to be provided, as a separate appropriation or set-aside within SRF appropriations, and any changes to the administration of these items remains to be seen.

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Introduction

The condition of the nation's wastewater and drinking water infrastructure systems continues to garner attention. The U.S. Environmental Protection Agency (EPA) periodically reports on the capital cost of wastewater and drinking water infrastructure needs. EPA's 2024 report on wastewater infrastructure needs estimates that the nation's wastewater infrastructure, which includes stormwater systems, will need $630.1 billion over 20 years to meet federal water quality objectives.[1] EPA's 2023 report on drinking water indicates that public water systems need to invest $625 billion in infrastructure improvements over 20 years to ensure the provision of safe drinking water.[2] In response to an optional survey of selected water systems by the Department of Health and Human Services, these systems reported that an average of 20% of their customers fell behind on water payments in 2022, and that, as a result, such systems assert they may be challenged to support operations, maintenance, and capital improvements.[3] Given these findings, interest continues in the costs of projects needed for these systems to comply with federal requirements and maintain levels of service, as well as concerns over the affordability of such projects for communities.

To assist with local water infrastructure projects, Congress has authorized several federal financial assistance programs, and has provided regular, and, in some cases, supplemental appropriations for some of these programs.[4] Among these are the Clean Water State Revolving Fund (CWSRF), authorized by the Clean Water Act (CWA),[5] and the Drinking Water State Revolving Fund (DWSRF), authorized by the Safe Drinking Water Act (SDWA).[6] Under both SRF programs, EPA receives appropriations and allots the funding by formula as grants to the states (including Puerto Rico). Each state uses its federal grant to capitalize revolving loan funds to support local water infrastructure projects.

The 117th Congress provided increased supplemental funding for these state revolving funds (SRFs) through the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58). IIJA provided five fiscal years of emergency supplemental appropriations for the SRFs, representing a substantial increase over recent regular appropriations for these programs. The 117th Congress also reestablished the process (which had been discontinued in 2011) of providing funding directly for

[1] The U.S. Environmental Protection Agency (EPA), *2022 Clean Watersheds Needs Survey (CWNS) Report to Congress*, April 2024, https://www.epa.gov/system/files/documents/2024-05/2022-cwns-report-to-congress.pdf. Estimates provided in 2022 dollars.

[2] EPA, *Drinking Water Infrastructure Needs Survey and Assessment: Seventh Report to Congress*, September 2023, https://www.epa.gov/system/files/documents/2023-09/Seventh%20DWINSA_September2023_Final.pdf. Estimates provided in 2021 dollars.

[3] The Department of Health and Human Services (HHS) Office of Community Services, *Understanding Water Affordability Across Contexts: LIHWAP Water Utility Affordability Survey Report*, February 2024, https://www.acf.hhs.gov/sites/default/files/documents/ocs/LIHWAP%20Survey%20Report%20v5.pdf.

[4] Congress also has authorized the U.S. Army Corps of Engineers, within the Department of Defense, and the Bureau of Reclamation, within the Department of the Interior, to address certain municipal water infrastructure. Further, Congress has authorized rural development programs for the U.S. Department of Agriculture's (USDA's) Rural Utilities Service. These authorities are not discussed in this report. See CRS Report R46471, *Federally Supported Projects and Programs for Wastewater, Drinking Water, and Water Supply Infrastructure*, coordinated by Jonathan L. Ramseur, for details on these and other programs.

[5] The statutory name for the Clean Water Act is the Federal Water Pollution Control Act, as amended, codified at 33 U.S.C. §§1231-1387.

[6] Safe Drinking Water Act of 1974 (SDWA; P.L. 93-523), enacted December 16, 1974. SDWA is codified at 42 U.S.C. §§300f-300j.

specific water infrastructure projects through community project funding/congressionally directed spending (CPF/CDS) items, commonly known as *earmarks*.

In the 118th Congress, the Consolidated Appropriations Act, 2024 (P.L. 118-42) provides regular appropriations for the SRFs, and continues CPF/CDS. Just as with appropriations acts in the 117th Congress, the FY2024 act reserves a portion of each SRF appropriation for CPF/CDS items rather than providing a separate appropriation for CPF/CDS. As such, reserving funds for CPF/CDS effectively reduces the amount of SRF regular appropriations allocated to the SRF programs. Also, through report language, the appropriations committees provide direction to EPA regarding the timeliness of CPF/CDS administration, and direct EPA to propose a legislative structure to allow for state administration of CPF/CDS.

Dedicating a portion of each SRF appropriation to CPF/CDS raises several considerations for Congress, particularly in light of the committees' direction to EPA for a proposal for state administration of CPF/CDS. A key consideration is how this practice changes the distribution of water infrastructure funds among the states. Other considerations may involve who determines which projects receive funding and the financial characteristics of communities that receive funding. Other questions may regard the details of EPA's proposal for CPF/CDS administration.

This report begins with an overview of the SRFs, the key federal financial assistance programs for municipal water infrastructure, and provides a brief discussion on the practice of earmarking federal funding for water infrastructure projects. It also analyzes the effect of the Consolidated Appropriations Act, 2024 (P.L. 118-42) CPF/CDS items on SRFs, and it discusses issues and options regarding this practice.

State Revolving Fund (SRF) Programs

The principal federal programs that help support wastewater and drinking water infrastructure are the CWSRF and the DWSRF programs, respectively. The CWSRF provides financial assistance for wastewater (e.g., sewer and stormwater) infrastructure projects to publicly owned treatment works and other eligible recipients.[7] The DWSRF provides assistance to public water systems, which may be publicly or privately owned.[8] In both SRF programs, EPA makes grants to states to capitalize state revolving loan funds. Each state is required to provide a 20% match of its annual capitalization grant.

CWSRF financial assistance is available generally for projects needed for constructing or upgrading (and planning and designing) publicly owned treatment works, among a range of other purposes, including stormwater infrastructure.[9] DWSRF financial assistance is available for statutorily specified expenditures and those that EPA has determined, through guidance, will facilitate SDWA compliance or significantly further the act's health protection objectives.[10]

[7] 33 U.S.C. §§1381-1387. Prior to 1987, a grant program in CWA Title II provided funding for the construction of wastewater treatment facilities and related objectives. The Water Quality Act of 1987 (P.L. 100-4) phased out the Title II construction grants program and authorized the CWSRF program and appropriations to capitalize state revolving loan funds.

[8] 42 U.S.C. §300j-12. For more information about the DWSRF, see CRS Report R47935, *Changes to the Drinking Water State Revolving Fund (DWSRF) Program*, by Elena H. Humphreys.

[9] 33 U.S.C. §1383(c).

[10] 42 U.S.C. §300j-12(b)(3).

All 50 states and Puerto Rico implement their own SRF programs.[11] For the CWSRF, EPA allots the appropriation among states based on a CWA statutory formula, which provides a minimum share of 0.5% to each state.[12] SDWA directs EPA to distribute DWSRF funds among the states based on the results of the most recent quadrennial needs survey, with each state receiving a minimum of 1% of the available funds.[13]

Both the CWA and SDWA provide for federal oversight of the state programs. For example, states are required to establish Intended Use Plans (IUPs) that identify the projects that will receive SRF assistance in that year. More specifically, the CWA requires states to use capitalization grants first to assure compliance with enforceable deadlines, goals, and requirements of the CWA;[14] and SDWA requires each state to give funding priority to projects that

- address the most serious human health risks,
- are necessary to ensure compliance, and
- assist systems most in need on a per-household basis according to state affordability criteria.[15]

States are required to publish their IUPs and solicit public comment.[16] EPA is required to review the state IUPs to confirm statutory and regulatory compliance. In addition, both the CWA and SDWA require states to report specific information to EPA regarding the implementation of their respective SRF programs. In particular, states are required to submit to EPA an annual report on the CWSRF and a biennial report on the DWSRF. Both statutes require EPA to annually review states' implementation activities and periodically audit state programs.[17] EPA annually publishes information on activities for both programs.[18]

Types of SRF Assistance

Under the SRF programs, states primarily provide subsidized loans to support community water infrastructure projects. States also provide "additional subsidization." Such assistance may

[11] The CWA and SDWA require EPA to provide direct grants to the District of Columbia, the U.S. Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and Indian tribes for wastewater and drinking water infrastructure improvements (33 U.S.C. §§1362 and 1377; 42 U.S.C. §300j-12(i) and (j)) using funding from the SRF appropriations to EPA.

[12] For more information on the CWA allotment formula, see CRS Report R47474, *Clean Water State Revolving Fund Allotment Formula: Background and Options*, by Jonathan L. Ramseur.

[13] 42 U.S.C. §300j-12(a)(1)(D). SDWA directs or authorizes EPA to set aside amounts of the DWSRF appropriation for various program purposes before allotting the remaining funds among the states. EPA calculates the amount available for allotment among the states after deducting amounts reserved for tribal grants, unregulated contaminant monitoring, health effects studies, and oversight of American iron and steel requirements. For more information about the drinking water infrastructure needs survey and assessments, see CRS Report R47878, *Drinking Water Infrastructure Needs: Background and Issues for Congress*, by Elena H. Humphreys.

[14] 33 U.S.C. §1296.

[15] 42 U.S.C. §300j-12(b)(3).

[16] 42 U.S.C. §300j-12(b)(3)(B); 33 U.S.C. §1386(c).

[17] 42 U.S.C. §300j-12(g)(4); 33 U.S.C. §1386.

[18] For example, EPA collects data annually from the SRF programs to document program progress and account for the use of federal funds through the National Information Management System reports, available at the respective EPA websites: https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-national-information-management-system-reports and https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-national-information-management-system-reports.

include principal or other loan forgiveness; grants; negative interest loans; and buying, refinancing, or restructuring debt, which can help make infrastructure projects more affordable.[19]

In addition to subsidized loans, the authority or requirement to provide additional subsidization has been one of the primary instruments that Congress has used to address the affordability of water infrastructure projects. Additional subsidization may occur through the authorities of the underlying statute or through requirements in appropriations acts.

Statutory Additional Subsidization

When the CWA first established the CWSRF in 1987, the act did not include the authority to provide additional subsidization.[20] In 2014, Congress amended the CWA, adding authority for states to provide additional subsidization, but not requiring it. In 2021, IIJA amended the CWA to require states to use 10% of their CWSRF capitalization grants for additional subsidization, provided sufficient applications.[21]

Since SDWA established the DWSRF in 1996, the act has authorized states to use up to 30% of their DWSRF capitalization grants for additional subsidization.[22] America's Water Infrastructure Act of 2018 (AWIA; P.L. 115-270) increased this proportion to 35% while conditionally requiring states to use at least 6% of their capitalization grants for these purposes. In 2021, IIJA amended SDWA to increase the minimum percentage that states were required to use for additional subsidization to 12%. SDWA requires that states provide this additional subsidization to disadvantaged communities only.[23]

Appropriations Acts and Additional Subsidization

Annual appropriations acts have also directed states to use minimum percentages of their capitalization grants for additional subsidization. For example, the Consolidated Appropriations Act, 2024 (P.L. 118-42) directs states to dedicate 10% of their CWSRF capitalization grant and 14% of their DWSRF capitalization grant for additional subsidization. The regular appropriations acts have not required states to provide these mandatory percentages of additional subsidization to specific entities, such as disadvantaged communities. Thus, pursuant to the scope of these directives, states can provide additional subsidization to communities regardless of their financial situation or other characteristics.

IIJA supplemental appropriations require states to use 49% of their SRF capitalization grant amount as 100% principal forgiveness or grants, or a combination of these. For the IIJA emergency supplemental appropriations for projects to address emerging contaminants, states are required to use 100% of their capitalization grants as principal forgiveness or grants. IIJA

[19] 33 U.S.C. §1383(i); 42 U.S.C. §300j-12(d). In addition, states can use CWSRF grants to provide additional subsidization for specific types of infrastructure projects, including those that address water or energy efficiency, or stormwater.

[20] Prior to 1987, a grant program in CWA Title II provided funding for the construction of wastewater treatment facilities and related objectives. The Water Quality Act of 1987 (P.L. 100-4) phased out the Title II construction grants program and authorized the CWSRF program and appropriations to capitalize state revolving loan funds.

[21] P.L. 117-58, §50102 and §50210.

[22] The SDWA Amendments of 1996 (P.L. 104-182) authorized a complementary program for drinking water infrastructure, the DWSRF. Prior to 1996, there was no federal financial assistance program for municipal drinking water infrastructure.

[23] SDWA §1452(d)(3) defines a disadvantaged community as the service area of a public water system that meets state-established affordability criteria.

appropriations require that states provide additional subsidization to disadvantaged communities only.

In an EPA memorandum from 2024, the agency clarified its interpretation that the appropriations acts' additional subsidization percentages are "additive" to the SDWA additional subsidization statutory floor of 12% for the DWSRF and the CWA floor of 10% for the CWSRF.[24]

These statutory revisions and funding directives reflect an increased interest in providing additional funding support beyond subsidized loans to communities that may be challenged to afford water infrastructure projects or, under the CWSRF, for certain types of projects. Yet some states observe that, even with revisions to authority and/or requirements to provide increased additional subsidization from the SRFs, requests in their state for such assistance outpace amounts available,[25] though this may not be the case for all states. Dedicating more of existing resources to additional subsidization may affect the sustainability of state SRFs. Additional subsidization is not repaid into the SRFs, reducing the amount that would revolve back to state SRFs to be available for assistance for future projects.[26]

Appropriations for the SRF Programs

Figure 1 and **Figure 2** show appropriations over time for the CWSRF and the DWSRF, respectively.[27] Appropriations for the SRFs and other water infrastructure programs are provided within EPA's State and Tribal Assistance Grants (STAG) account.[28] From FY2000 through FY2009, annual appropriations averaged about $1.1 billion for the CWSRF and about $833 million for the DWSRF. The American Recovery and Reinvestment Act (ARRA; P.L. 111-5) provided $4.0 billion for the CWSRF and $2.0 billion for the DWSRF in FY2009, in addition to the regular FY2009 appropriations.[29] In nominal dollars (i.e., not adjusted for inflation), the annual appropriations for the SRF programs—especially for the CWSRF—increased after ARRA. Between FY2010 and FY2021, annual appropriations averaged about $1.6 billion for the CWSRF and about $1.0 billion for the DWSRF. Appropriations for these programs remained relatively consistent until FY2022.

[24] EPA, Fiscal Year 2024 Allotments for the State Revolving Fund Provisions of the Bipartisan Infrastructure Law and Base Program Funding, Washington, DC, April 3, 2024, https://www.epa.gov/system/files/documents/2024-04/fy24-joint-srf-allotments-memorandum.pdf.

[25] For example, California's FY2023 DWSRF IUP states that the demand for additional subsidization "exceeds the $137.4 million in principal forgiveness available from the FFY [Federal Fiscal Year] 2023 DWSRF Base Program and General Supplemental capitalization grants," and its FY2023 CWSRF IUP states that requests for additional subsidization "exceeds the $94.7 million in principal forgiveness available from the FFY 2023 CWSRF Base Program and General Supplemental capitalization grants." California State Water Resource Control Board (SWRCB), *State of California Clean Water State Revolving Fund FY2023 Intended Use Plan*, September 6, 2023, p. 89, https://www.waterboards.ca.gov/water_issues/programs/grants_loans/docs/2023/2023-24-cwsrf-iup.pdf. SWRCB, *State of California Drinking Water State Revolving Fund FY2023 Intended Use Plan*, July 18, 2023, p. 91, https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/2023/2023-24-dwsrf-iup.pdf.

[26] For additional discussion, see CRS Report R47935, *Changes to the Drinking Water State Revolving Fund (DWSRF) Program*, by Elena H. Humphreys.

[27] Note that FY1989 and FY1990 appropriations acts included appropriations for the CWA Title II Construction Grant Program that predated the CWSRF program. For more information about the transition from the CWA Title II Construction Grant Program to the CWSRF, see CRS Report R47474, *Clean Water State Revolving Fund Allotment Formula: Background and Options*, by Jonathan L. Ramseur.

[28] The name of this account has changed over time.

[29] For more information about the SRF appropriations in the American Recovery and Reinvestment Act (ARRA; P.L. 111-5), see CRS Report R46464, *EPA Water Infrastructure Funding in the American Recovery and Reinvestment Act of 2009*, by Jonathan L. Ramseur and Elena H. Humphreys.

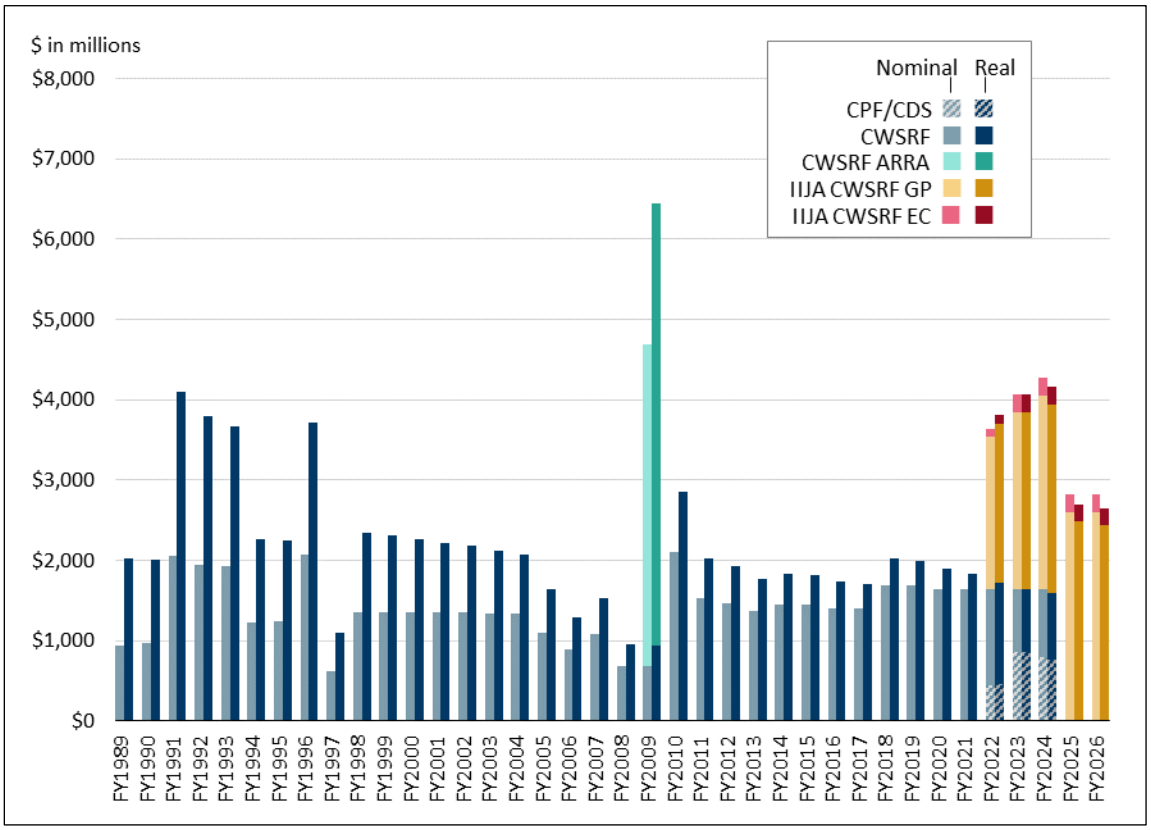
In the 117th Congress, IIJA Division J provided five fiscal years of emergency supplemental appropriations for the CWSRF and DWSRF.[30] IIJA authorizes EPA to reserve certain percentages for EPA administration and for oversight by EPA's Office of Inspector General, prior to allotting the funds among the states.[31] Further, the annual appropriations acts provide regular appropriations for the SRF programs. These annual appropriations acts include CPF/CDS items for municipal water infrastructure projects.

For the CWSRF, IIJA included $11.7 billion total for FY2022 through FY2026. It also included an additional $1.0 billion total for this time period to address emerging contaminants. For a breakdown of CWSRF funding by fiscal year, see **Figure 1**.

For the DWSRF, IIJA included $11.7 billion total for FY2022 through FY2026. It also included an additional $15 billion total for this time period for lead service line replacement projects and associated activities and an additional $4.0 billion total for this time period to address emerging contaminants. For a breakdown of DWSRF funding by fiscal year, see **Figure 2**.

Figure 1. Appropriations for the Clean Water State Revolving Fund (CWSRF)

(in nominal and real dollars)



Source: Prepared by CRS using information from annual appropriations acts, committee reports, and explanatory statements presented in the *Congressional Record*.

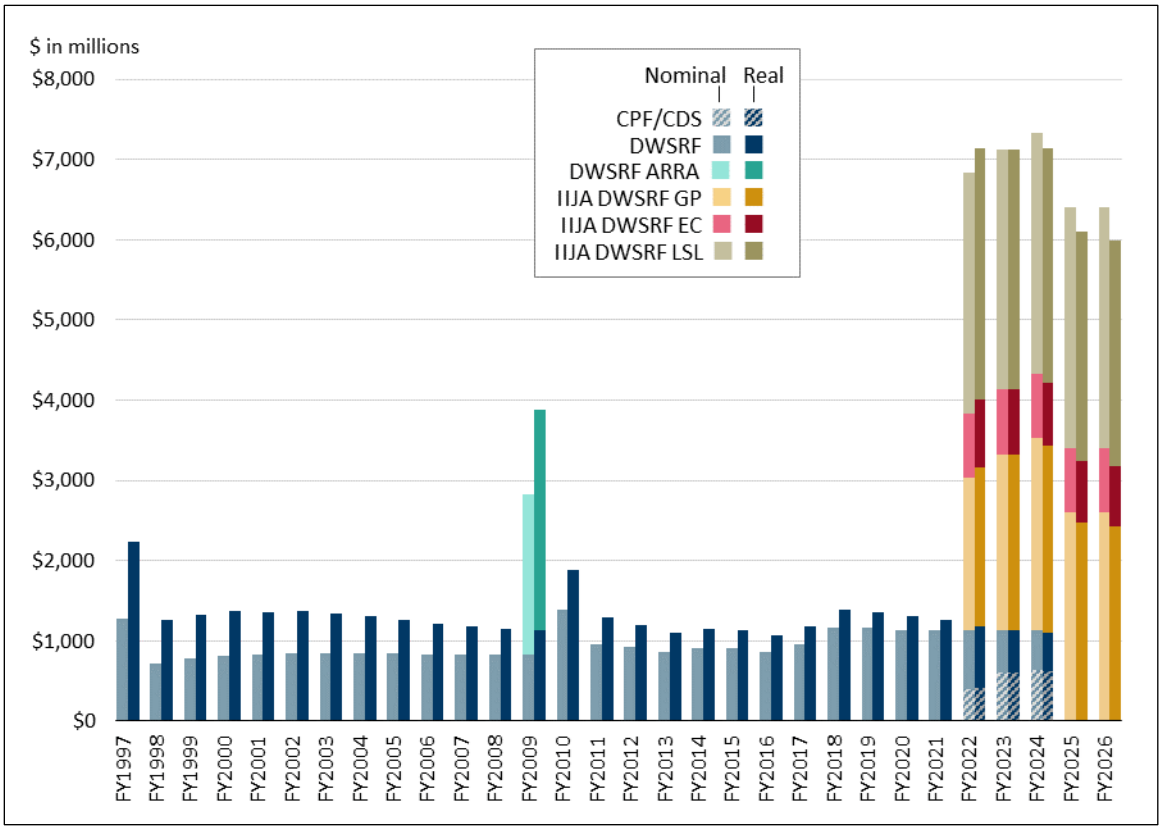
[30] See CRS Report R46892, *Infrastructure Investment and Jobs Act (IIJA): Drinking Water and Wastewater Infrastructure*, by Elena H. Humphreys and Jonathan L. Ramseur, for more details.

[31] For additional details, see Table 1 of CRS Report R46892, *Infrastructure Investment and Jobs Act (IIJA): Drinking Water and Wastewater Infrastructure*, by Elena H. Humphreys and Jonathan L. Ramseur.

Notes: Amounts reflect applicable rescissions and supplemental appropriations, including $4.0 billion in P.L. 111-5 and $52.5 million in P.L. 116-20. "Real" or 2023 dollars calculated from Office of Management and Budget, Table 10.1, "Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2026," https://www.whitehouse.gov/omb/historical-tables/. The deflator values used for FY2024 through FY2026 are estimates. "ARRA" denotes supplemental appropriations provided by the American Recovery and Reinvestment Act (P.L. 111-5). "IIJA" denotes supplemental appropriations provided by the Infrastructure Investment and Jobs Act (P.L. 117-58). "EC" denotes CWSRF supplemental appropriations dedicated to projects to address emerging contaminants. General Program, or "GP," denotes supplemental appropriations provided to the CWSRF for the range of statutory eligibilities. "CPF/CDS" denotes the portion of CWSRF appropriations dedicated to community project funding/congressionally directed spending. The funding levels for FY2025 and FY2026 are likely to change, reflecting funding for the CWSRF through annual appropriations.

Figure 2. Appropriations for the Drinking Water State Revolving Fund (DWSRF)

(in nominal and real dollars)



Source: Prepared by CRS using information from annual appropriations acts, committee reports, and explanatory statements presented in the *Congressional Record*.

Notes: Amounts reflect applicable rescissions and supplemental appropriations, including $4.0 billion in P.L. 111-5 and $52.5 million in P.L. 116-20. "Real" or 2023 dollars calculated from Office of Management and Budget, Table 10.1, "Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2026," https://www.whitehouse.gov/omb/historical-tables/. The deflator values used for FY2024 through FY2026 are estimates. "ARRA" denotes supplemental appropriations provided by the American Recovery and Reinvestment Act (P.L. 111-5). "IIJA" denotes supplemental appropriations provided by the Infrastructure Investment and Jobs Act (P.L. 117-58). "EC" denotes DWSRF supplemental appropriations dedicated to projects to address emerging contaminants. General Program, or "GP," denotes supplemental appropriations provided through the DWSRF for the range of statutory eligibilities. "LSL" denotes supplemental appropriations provided to the DWSRF for lead service line (LSL) replacement projects and related activities. "CPF/CDS" denotes the portion of DWSRF appropriations dedicated to community project funding/congressionally directed spending. The funding levels for FY2025 and FY2026 are likely to change, reflecting funding for the DWSRF through annual appropriations.

Earmarks

The practice of earmarking a portion of an EPA account for specific wastewater treatment and other water quality projects began with the FY1989 appropriations. In FY1989, FY1990, and FY1991, earmarked funds were provided solely for projects that Congress had authorized in the Water Quality Act of 1987. Beginning in FY1992, Congress also earmarked funds for a number of projects not specifically authorized in the Clean Water Act or the 1987 CWA amendments.[32] Further, from FY1989 to FY1994, earmarked funds were provided to wastewater treatment projects. In the FY1995 appropriations act, two drinking water projects were provided earmarked funds.[33] As such, through the process of earmarking, Congress provided grants for drinking water system projects, which were not available before the establishment of the DWSRF in 1996. **Appendix B** contains details about the number of projects that received earmarked funding and total funding earmarked to water infrastructure projects as well as SRF appropriations.

Support of earmarks and their purposes has changed over time. In the 110th Congress (2007-2008), the House and Senate codified earmark disclosure requirements into their respective chamber rules with the stated intention of bringing more transparency to the earmarking process.[34] In FY2007, Congress applied a one-year moratorium on earmarks in all appropriations bills.[35] For the next three years, special project grants appeared in appropriations acts—including those providing funding to EPA—but in FY2011, Congress did not provide earmarks for congressional water infrastructure projects. In the 112th Congress (2011-2012), the House and Senate began what has been referred to as an "earmark moratorium" or "earmark ban."[36] The House extended the ban on earmarks under the Republican Conference rules, and the chairman of the Senate Appropriations Committee announced a moratorium on earmarks for FY2011 and FY2012.[37] The earmark disclosure rules in both the House and Senate have remained in place. The moratorium on congressional earmarks continued until the 117th Congress.

From FY1989 to FY2010, appropriations acts provided a separate appropriation to the CWSRF in addition to funds earmarked for water infrastructure project grants. Similarly, from FY1997 to FY2010, appropriations acts provided earmarks for drinking water projects and a separate appropriation for the DWSRF. Both SRF appropriations and earmarks were provided within the same appropriations account.

[32] P.L. 102-139.

[33] H.Rept. 103-715.

[34] In Senate rules, the phrase *congressionally directed spending item* is used in place of *earmark*. For the purposes of this report, the terms are used interchangeably. The Senate included its rule in the Honest Leadership and Open Government Act of 2007, which became law on September 14, 2007 (§521 of P.L. 110-81, 121 Stat.760). See rule XXI of the Rules of the House of Representatives.

[35] "Byrd-Obey Announce FY 2007 Plan," press release, December 11, 2006.

[36] For more information on the earmark moratorium, see CRS Report R45429, *Lifting the Earmark Moratorium: Frequently Asked Questions*, by Megan S. Lynch.

[37] U.S. Senate Committee on Appropriations, "Committee Announces Earmark Moratorium," press release, February 1, 2011, https://web.archive.org/web/20110203075236/http:/appropriations.senate.gov/news.cfm?method=news.view&id=188dc791-4b0d-459e-b8d9-4ede5ca299e7; and U.S. Senate Committee on Appropriations, "Senate Appropriations Committee Announces Extension of Earmark Moratorium," press release, February 2, 2012, https://web.archive.org/web/20120214222505/http:/appropriations.senate.gov/news.cfm?method=news.view&id=3883059e-7a0c-496e-8d51-440aa7c2d57c. The Rules of the House Republican Conference for the 112th Congress (2011-2012) included a standing order labeled *Earmark Moratorium* that stated, "It is the policy of the House Republican Conference that no Member shall request a congressional earmark, limited tax benefit, or limited tariff benefit, as such terms have been described in the Rules of the House."

With the reestablishment of earmarks in FY2022, Congress has used a different approach for providing funds to CPF/CDS items. Instead of providing a separate appropriation for earmarks within an account, portions of the CWSRF and DWSRF appropriations were set aside for earmarks. The funds reserved for CPF/CDS are distributed directly to recipients, instead of to states' SRF programs. Thus, the reservation of funds effectively decreases the total amount available for allotment as state capitalization grants. In the first session of the 118th Congress, the number of earmarks and funding amounts dedicated to earmarks were higher than those provided in the first session of the 117th Congress. **Table 1** provides specific details for each appropriations act.

Table 1. 117th Congress and 118th Congress: State Revolving Fund (SRF) Appropriations

(in millions of dollars, not adjusted for inflation)

	Total SRF Appropriation	Amount of CPF/CDS	Amount Remaining for SRF Programs
Clean Water			
P.L. 117-103	$1,638.9	$443.6 (27%)	$1,195.3 (73%)
P.L. 117-328	$1,638.9	$863.1 (53%)	$775.8 (47%)
P.L. 118-42	$1,638.9	$787.7 (48%)	$851.2 (52%)
Drinking Water			
P.L. 117-103	$1,126.1	$397.8 (35%)	$728.3 (65%)
P.L. 117-328	$1,126.1	$609.3 (54%)	$516.8 (46%)
P.L. 118-42	$1,126.1	$631.7 (56%)	$494.4 (44%)

Source: Compiled by CRS from P.L. 117-103, P.L. 117-328, and P.L. 118-42.

Notes: Dollar amounts are nominal (not adjusted for inflation). CPF/CDS stands for community project funding/congressionally directed spending, also known as *earmarks*.

FY2024 CPF/CDS

During the development of the FY2024 appropriations bills, the appropriations committees issued guidance for Members when submitting requests for CPF in the House or for CDS in the Senate. Both chambers' guidance limited the amount of CPF/CDS to a percentage of discretionary spending. The House Committee on Appropriations limited the amount of CPF to no more than 0.5%, while the Senate Committee on Appropriations' limit for CDS was no more than 1.0%.[38] As in the 117th Congress, both House and Senate committees require the U.S. Government Accountability Office (GAO) to audit selected CPF/CDS items and report to Congress.[39]

[38] U.S. House Committee on Appropriations, "Guidance for Community Project Funding," https://appropriations.house.gov/sites/republicans.appropriations.house.gov/files/FY24%20Comunity%20Project%20Funding%20Guidance.pdf. U.S. Senate Committee on Appropriations, "General Guidance on Fiscal Year 2024 Appropriations Requests," https://www.appropriations.senate.gov/imo/media/doc/FY2024%20Appropriations%20Requests%20General%20Guidance.pdf.

[39] U.S. House Committee on Appropriations, "Guidance for Community Project Funding." U.S. Senate Committee on Appropriations, "General Guidance on Fiscal Year 2024 Appropriations Requests."

House CPF Guidance

For FY2024 CPF requests, the House Committee on Appropriations issued general guidance that continued many of the requirements added by the 117th Congress. These include requiring that the requests be aligned with existing requirements under House rules,[40] and prohibiting funding recipients that are "for-profit" entities.[41] Similar to guidance in the 117th Congress, Members in the 118th Congress had to publicly certify that they and their immediate family have no financial interest in the requested project, provide information on CPF requests online, and demonstrate evidence of community support for the request. In addition, for FY2024, the House Committee required Members to demonstrate a "federal nexus" for each project request.[42] The House Committee on Appropriations increased the number of CPF requests that Members could submit from 10 to 15.[43]

The relevant subcommittees issued additional specific guidance. For the Subcommittee on Interior, Environment, and Related Agencies, Members could submit FY2024 CPF requests for EPA's STAG account only.[44] Members could rank their CPF requests.[45] CPF were required to meet certain conditions, namely that these projects are otherwise eligible for the CWSRF or DWSRF, and that CPF recipients provide a minimum cost share of 20%.[46]

Senate CDS Guidance

For FY2024, the Senate Committee on Appropriations accepted CDS requests for specified agencies and accounts, including but not exclusively EPA's STAG account.[47] The committee continued requirements from the 117th Congress to limit certain earmark practices or prohibit earmarking projects for certain entities, such as "for-profit" entities. These include existing earmark disclosure requirements such as prohibiting a vote on a motion to proceed to consider a measure or a vote on adoption of a conference report, unless the chair of the committee or the majority leader (or designee) certifies that a complete list of earmarks and the name of each Senator requesting each earmark are available on a publicly accessible congressional website in a

[40] See CRS Report R46722, *Community Project Funding: House Rules and Committee Protocols*, by Megan S. Lynch for details on specific House Rules.

[41] U.S. House Committee on Appropriations, "Guidance for Community Project Funding," https://appropriations.house.gov/sites/republicans.appropriations.house.gov/files/FY24%20Comunity%20Project%20Funding%20Guidance.pdf.

[42] U.S. House Committee on Appropriations, "Guidance for Community Project Funding." Regarding "federal nexus," the Committee's guidance states that "it will only fund projects that are tied to a federal authorization law."

[43] U.S. House Committee on Appropriations, "Guidance for Community Project Funding." U.S. Congress, House Committee on Appropriations, "DeLauro Announces Community Project Funding in Fiscal Year 2022," 117th Cong., 1st sess., February 26, 2021, https://democrats-appropriations.house.gov/news/press-releases/delauro-announces-community-project-funding-in-fiscal-year-2022.

[44] U.S. House Subcommittee on Interior, Environment, and Related Agencies Appropriations, "Fiscal Year 2024 Member Project Request Guide," https://appropriations.house.gov/sites/republicans.appropriations.house.gov/files/FY24%20Interior,%20Environment,%20and%20Related%20Agencies%20Guidance.pdf.

[45] U.S. Congress, House Committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies, *Procedures for Receiving Members' Programmatic, Language, and Community Project Funding Submissions for Consideration of the FY2024 Appropriations Bill*, Dear Colleague Letter, 118th Cong., 1st sess., February 28, 2023.

[46] U.S. House Subcommittee on Interior, Environment, and Related Agencies Appropriations, "Fiscal Year 2024 Member Project Request Guide."

[47] U.S. Senate Committee on Appropriations, "General Guidance on Fiscal Year 2024 Appropriations Requests," https://www.appropriations.senate.gov/imo/media/doc/FY2024%20Appropriations%20Requests%20General%20Guidance.pdf.

searchable form at least 48 hours before the vote.[48] As in the House, the Senate Committee on Appropriations required Members to certify that neither they nor their immediate family have a financial interest in the project.[49]

CPF/CDS Items

P.L. 118-42 dedicates just over half (i.e., $1.41 billion) of the combined SRF regular appropriations (i.e., $2.76 billion) to 1,022 drinking water and wastewater project earmarks. This represents an increase in the number of earmarked projects compared with the 117th Congress. Specifically, P.L. 118-42 dedicates $787.7 million to 552 wastewater infrastructure projects, and $631.7 million to 470 drinking water infrastructure projects. These 1,022 projects received on average $1.4 million, which represents a decrease compared with the average amount provided by the 117th Congress. **Table 2** provides statistics for the earmarks provided by recent appropriations acts.

Table 2. Summary of Water Infrastructure Earmarks in Recent Appropriations Acts

(in millions of dollars, not adjusted for inflation)

Public Law	Number of CPF/CDS	Average CPF/CDS Amount
P.L. 117-103	485 projects	$1.7
P.L. 117-328	715 projects	$2.0
P.L. 118-42	1,022 projects	$1.4

Source: Compiled from the joint explanatory statements accompanying P.L. 117-103, P.L. 117-328, and P.L. 118-42.

Notes: Dollar amounts are nominal (not adjusted for inflation). CPF/CDS stands for community project funding/congressionally directed spending, also known as *earmarks*.

Table C-1 provides the total EPA STAG account CPF/CDS for projects by state or territory for FY2024. From publicly available data, the number of CPF/CDS requests that met the committees' criteria is not clear. Accordingly, it is unclear if all CPF/CDS requests that met the criteria received funding in FY2024, or if some portion of projects that met the committees' criteria for requested CPF/CDS was not funded. As such, summary statistics regarding the distribution of CPF/CDS among the states may not reflect prioritization, but provides data regarding CPF/CDS distribution. For example, 45% of the total amount of wastewater CPF/CDS were allocated to projects in 10 of the 47 states that received CPF/CDS. For drinking water CPF/CDS, 46% of the total amount of drinking water CPF/CDS were allocated to projects in 10 of the 45 states that received CPF/CDS. Among these 10 states, two (Alaska and Nebraska) receive the statutory minimum DWSRF capitalization grant allotment.

In addition, the amount of CPF/CDS dedicated to specific projects varies. The difference between the amounts of CPF/CDS dedicated to individual projects likely depends on the specific amount of CPF/CDS that a Member requested for each project. For wastewater, funding for CPF/CDS projects ranged from $23.6 million for a project in South Dakota to $80,000 for a project in Nebraska. Among the 10 projects that received the largest wastewater earmarks, the average amount provided was $9.7 million. For the 10 projects that received the smallest CPF/CDS, the average amount provided was $141,000. Of the $787.7 million in wastewater earmarks, $437.9

[48] Senate Rule XLIV. For more information, see CRS Report RS22867, *Earmark Disclosure Rules in the Senate: Member and Committee Requirements*, by Megan S. Lynch.

[49] U.S. Senate Committee on Appropriations, "General Guidance on Fiscal Year 2024 Appropriations Requests."

million originated from Representatives' requests, $295.1 million originated from Senators' requests, and $54.6 million originated from requests made jointly by House and Senate Members.[50]

Among the CPF/CDS amounts provided to specific drinking water projects, funding for CPF/CDS projects ranged from $12 million for a project in Arkansas to $72,000 for a project in Nebraska. Among the 10 drinking water projects that received the largest earmarks, the average amount provided was $7.1 million. For the 10 drinking water projects that received the smallest earmarks, the average amount provided was $174,000. Of the $631.7 million in drinking water CPF/CDS, $383.3 million originated from Representatives' requests, $192.9 million originated from Senators' requests, and $55.4 million originated from requests made jointly by House and Senate Members.[51]

Not all states received earmarked funds. For FY2024, Congress did not earmark any funds for projects in Montana, North Dakota, Wyoming, and Puerto Rico; based on publicly available data, it appears that Members did not submit CPF/CDS requests for projects in these areas.[52] Further, Congress did not provide earmarks to the District of Columbia, American Samoa, the U.S. Virgin Islands, or Guam. (Of these areas, only the U.S. Virgin Islands received earmarks in the 117th Congress.) Members of Congress requested earmarks for tribal projects associated with a specific state.[53] Congress did not set aside CPF/CDS funds specifically for tribes.

Effect of Earmarks on Amounts Available for Water Infrastructure Projects

This section analyzes the effects of earmarking a portion of the regular SRF appropriation for CPF/CDS on the amount of water infrastructure funds available by state. First, it looks only at the amount available by state from the Consolidated Appropriations Act, 2024 (P.L. 118-42). Then, the section considers how the IIJA supplemental appropriations for the SRFs interacts with the effect of earmarking a portion of the regular SRF appropriations for CPF/CDS.

The 118th Congress continued the process established in the 117th Congress of earmarking funds from the regular appropriations for the CWSRF and DWSRF.[54] This process effectively reduces

[50] Numbers may not total due to rounding.

[51] Numbers may not total due to rounding.

[52] House Committee on Appropriations, "FY24 House CPF requests," https://appropriations.house.gov/sites/evo-subsites/republicans-appropriations.house.gov/files/FY%202024%20House%20CPF%20Requests%202023-04-27%20%28430pm%29.xlsx. Senate Committee on Appropriations, "Congressionally Directed Spending Requests FY2024," https://www.appropriations.senate.gov/congressionally-directed-spending-requests-fy2024-chart.

[53] For example, six projects (i.e., Saginaw Chippewa Indian Tribe of Michigan for Wastewater Treatment Plant; Confederated Tribes of the Umatilla Indian Reservation for Wastewater Infrastructure Upgrades; Shoalwater Bay Indian Tribe for Water and Wastewater System Upgrades; Saginaw Chippewa Indian Tribe of Michigan for Water Treatment Plant Project; Confederated Tribes of the Colville Reservation for Inchelium Community Water System Upgrade Project; Skokomish Tribe for Waterline Extension) received CPF/CDS requested by Members.

[54] P.L. 118-42 authorizes EPA to reserve an additional $13.3 million from FY2024 CWSRF and DWSRF state capitalization grants for the administration of CPF/CDS items. EPA is not authorized to obligate the $13.3 million without written confirmation by the House and Senate Committees on Appropriations. For CPF/CDS administration, EPA's FY2024 allotment memorandum indicates that the agency will reserve (pending confirmation) $6.1 million of the FY2024 DWSRF appropriation and $7.2 million of the CWSRF appropriation for this purpose. EPA, *Fiscal Year 2024 Allotments for the State Revolving Fund Provisions of the Bipartisan Infrastructure Law and Base Program Funding*, Washington, DC, April 3, 2024, https://www.epa.gov/system/files/documents/2024-04/fy24-joint-srf-allotments-memorandum.pdf.

the amount available for state SRF capitalization grants as well as the amounts set aside for grants to tribes and territories. The funds for CPF/CDS items support water infrastructure projects, so the total amount available for water infrastructure projects from the FY2024 appropriations act remains the same, though the CPF/CDS amounts are distributed directly to recipients rather than through SRF programs. A key difference between state SRFs and CPF/CDS is who decides which projects to fund. For the CPF/CDS amount, Congress determines directly which projects receive funding instead of the states via the SRFs.

The effect of this reduction in SRF funding is distributed uniformly among state SRFs, as EPA uses either a statutory formula or the latest drinking water infrastructure needs survey to determine state allotments of CWSRF and DWSRF capitalization grants, respectively. The distribution of CPF/CDS depends, in part, on which CPF/CDS projects Members request, which projects meet the selection criteria from the appropriation committees, and which projects are ultimately selected for inclusion in the joint explanatory statement. It may also depend on other factors and considerations that are not publicly available.

The magnitude of the effect of shifting a portion of the SRF appropriations from being distributed via the SRFs to being distributed as earmarks can be presented in several ways. For example, the effect can be assessed by comparing the different nominal funding amounts states received with the addition of CPF/CDS to a hypothetical scenario in which states received only SRF capitalization grants and CPF/CDS funding was not reserved. **Figure 3** and **Figure 4** present these comparisons. While some states received more funding due to CPF/CDS items, other states received less water infrastructure funding from annual appropriations acts as a result of this practice (compared with the hypothetical scenario without CPF/CDS). **Table 3** provides the average and median nominal differences in water infrastructure funds availability associated with this practice, as compared with a hypothetical scenario in which CPF/CDS was not reserved from the SRF appropriations. It also provides the average actual amounts of SRF grants and CPF/CDS dedicated to states.

Table 3. Regular FY2024 Appropriations Water Infrastructure Funding Difference Due to CPF/CDS

(in millions of dollars)

P.L. 118-42	States, Territories, and Tribes	Average SRF Grant	Average Amount of CPF/CDS	Average Change	Median Change
		Actual		*Compared with Hypothetical*	
Clean Water	Less Funding: 26 states, the District of Columbia, territories, tribes	$18.2	$12.1	-$6.9	-$4.0
	More Funding: 25 states	$10.3	$18.5	+$8.8	+5.9
Drinking Water	Less Funding: 25 states, the District of Columbia, territories, tribes	$8.7	$5.6	-$6.0	-$6.0
	More Funding: 26 states	$7.9	$17.6	+$7.1	+$6.1

Source: Calculated by CRS from the joint explanatory statement accompanying the Consolidated Appropriations Act, 2024 (P.L. 118-42), Clean Water Act (CWA) formula found in 33 U.S.C. §1285(c)(3) as modified by EPA, and DWSRF formula based on the latest drinking water infrastructure needs survey, authorized by 42 U.S.C. §300j–12(a)(1)(D).

Notes: "Compared with Hypothetical" denotes the change in nominal funding amounts that states received with the addition of CPF/CDS compared with a hypothetical scenario in which states received only SRF capitalization grants and CPF/CDS funding was not reserved. Under both the CWSRF and DWSRF, Puerto Rico operates state

revolving funds, and thus is considered a state for the purposes of these programs. In 1995, three districts of the U.S.-administered United Nations Trust Territory of the Pacific Islands, which previously had been eligible for CWA funds, became sovereign states by adopting a Compact of Free Association. As of FY1999, the Trust Territory, which had been receiving 0.1295% of available funds, was no longer eligible for grants under the CWA. EPA made an administrative adjustment to allotment totals for all other recipients for FY2000 and onward to reflect this change.

Clean Water Infrastructure Funding Changes

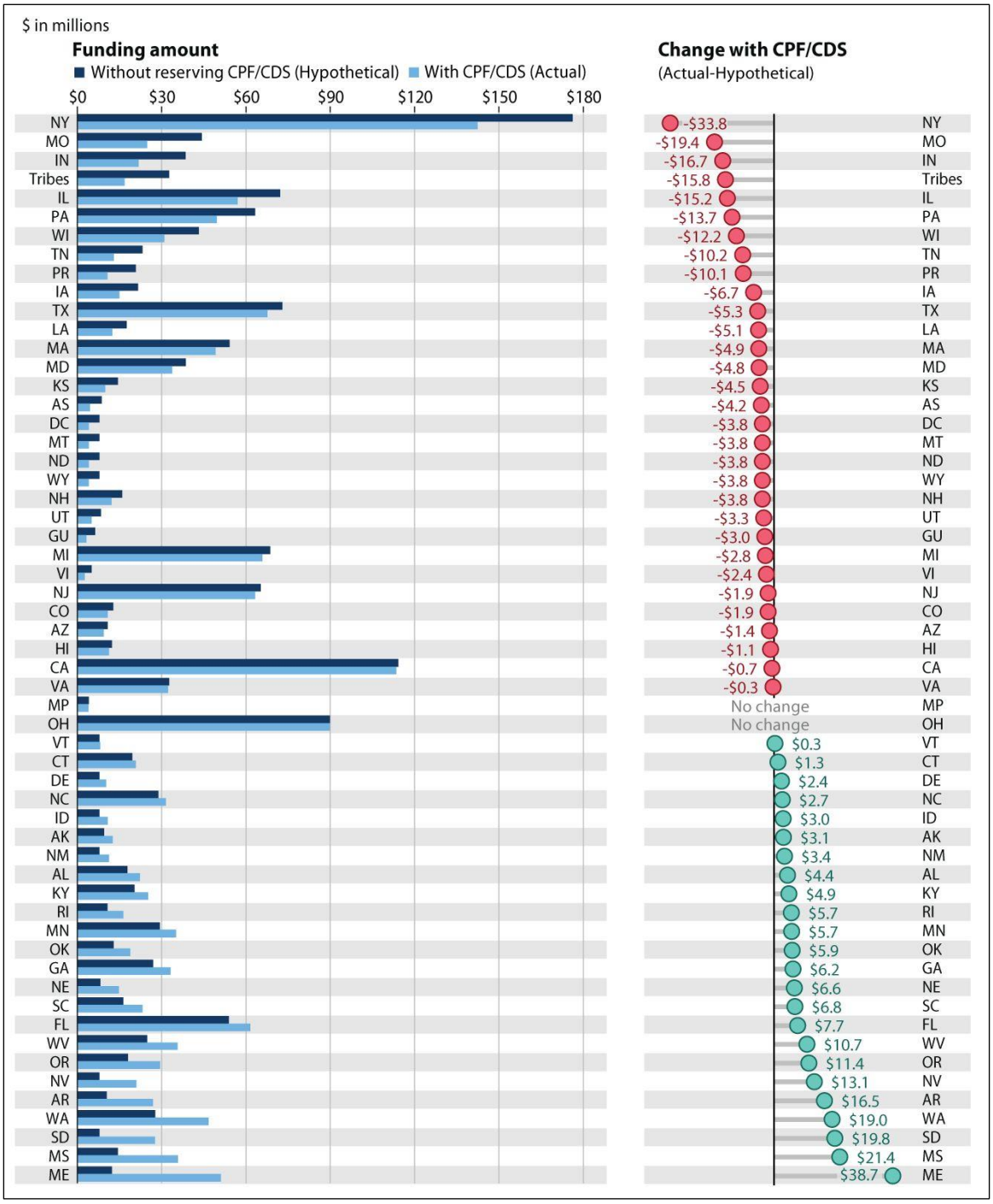
Figure 3 provides the decrease or increase in the amounts available by state, territory, or for tribes, as compared with the hypothetical scenario of distributing the FY2024 CWSRF appropriation without reserving CPF/CDS. As identified in **Table C-1**, four states (including Puerto Rico), DC, three territories, and the tribes did not receive earmarks in P.L. 118-42. The CWSRF appropriation set-aside for CPF/CDS reduced by 48% the total amount of funding for these entities.

Results were mixed for states that received earmarks. For instance, 22 of the 47 states (and the Northern Mariana Islands) that received earmarks in FY2024 received less in combined CPF/CDS and CWSRF capitalization grants relative to a hypothetical scenario in which CPF/CDS was not reserved from the CWSRF appropriation.

The FY2024 CPF/CDS process resulted in a funding shift of $220.6 million from the states, territories, and tribes that received less funding to the 25 states that received more. The former entities each received, on average, $6.9 million less in clean water infrastructure funding, while the latter 25 states each received, on average, approximately $8.8 million more.[55] For context, the average FY2024 CWSRF state capitalization grant or territorial or tribal grant amount was $14.8 million. This comparison does not include state capitalization grants from the IIJA supplemental appropriations, which are discussed below. **Table C-1** provides state-by-state comparisons.

[55] The median value of the decrease in funds available by state, by territory, or for tribes was $4.0 million, and the median value of the increase was $5.9 million.

Figure 3. Change in P.L. 118-42 Clean Water Infrastructure Funds



Source: Calculated by CRS from the joint explanatory statement accompanying the Consolidated Appropriations Act, 2024 (P.L. 118-42) and CWA formula found in 33 U.S.C. §1285(c)(3) as modified by EPA.

Notes: These figures identify the change in available P.L. 118-42 clean water infrastructure funds as a result of the reservation of funds for CPF/CDS and distribution of CPF/CDS, compared with a hypothetical scenario in which CPF/CDS was not reserved. State abbreviations are listed. For territories, "AS" denotes American Samoa, "GU" denotes Guam, "MP" denotes Northern Mariana Islands, and "VI" denotes U.S. Virgin Islands.

Drinking Water Infrastructure Funding Changes

Figure 4 provides the decrease or increase in the amounts available by state, territory, or for the tribes, as compared with distributing the FY2023 DWSRF appropriation without reserving CPF/CDS. As required by P.L. 118-42, EPA reserved $12.0 million from the FY2024 DWSRF appropriation for unregulated contaminants water system monitoring. As authorized by SDWA, EPA can reserve additional amounts for American iron and steel oversight prior to allotting the DWSRF appropriation among the states.[56] Accordingly, the amount available for allotment as DWSRF capitalization grants was reduced further than just by the CPF/CDS amounts.

As identified in **Table C-1**, six states (including Puerto Rico), DC, three territories, and the tribes did not receive earmarks in P.L. 118-42. The DWSRF appropriation set-aside for CPF/CDS reduced by 57% the total amount of funding for these entities.

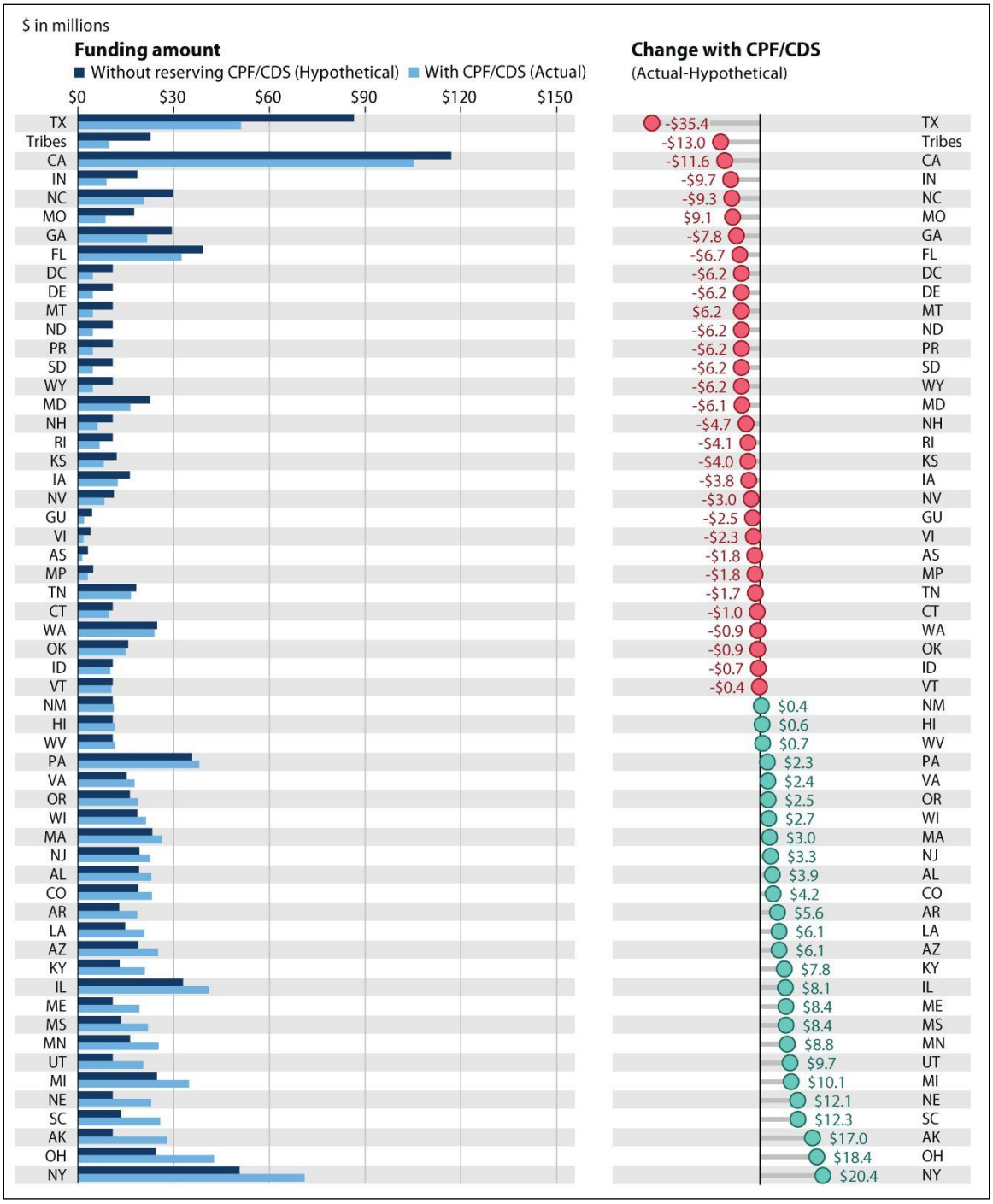
Results were mixed for states that received earmarks. For instance, 19 of the 45 states (and the Northern Mariana Islands) that received earmarks in FY2024 received less in combined CPF/CDS and DWSRF grants relative to a hypothetical scenario in which CPF/CDS was not reserved from the DWSRF appropriation.

The FY2024 CPF/CDS process resulted in a funding shift of $185.3 million from the states, territories, and tribes that received less funding to the 26 states that received more. The average reduction for each state, territory, or tribes was approximately $6.0 million, while the average increase for each of the 26 states that received more amounted to $7.1 million.[57] For context, the average FY2024 DWSRF state capitalization grant or territorial or tribal grant amount was $8.3 million. **Table C-1** provides state-by-state comparisons. This comparison does not include state capitalization grants from the IIJA supplemental appropriations, which are discussed below.

[56] 42 U.S.C. §300j-12(a)(4)(F). Under 42 U.S.C. §300j-12(n), EPA is also authorized to reserve a portion of the DWSRF appropriation for health effects studies. EPA's FY2024 allotment memorandum does not indicate that EPA plans to use this set-aside.

[57] The median value of the decrease in funds available by state, by territory, or for tribes was $6.0 million, and the median value of the increase was $6.1 million.

Figure 4. Change in P.L. 118-42 Drinking Water Infrastructure Funds



Source: Calculated by CRS from the joint explanatory statement accompanying the Consolidated Appropriations Act, 2024 (P.L. 118-42) and DWSRF formula based on the latest drinking water infrastructure needs survey, authorized by 42 U.S.C. §300j–12(a)(1)(D).

Notes: These figures identify the change in available P.L. 118-42 drinking water infrastructure funds as a result of the reservation of funds for CPF/CDS and the distribution of CPF/CDS, compared with a hypothetical scenario in which CPF/CDS was not reserved. State abbreviations are listed. For territories, "AS" denotes American Samoa, "GU" denotes Guam, "MP" denotes Northern Mariana Islands, and "VI" denotes U.S. Virgin Islands.

Infrastructure Investment and Jobs Act

For FY2024, IIJA provided the SRF programs with emergency supplemental appropriations, which are additional to the regular FY2024 appropriations provided by P.L. 118-42. No CPF/CDS funding was reserved from the IIJA SRF appropriations. Accordingly, the effect of reserving funds for CPF/CDS items from FY2024 regular appropriations on state SRF programs is partially offset by these IIJA appropriations.

An assessment of this effect is complicated. Different ways of considering the IIJA supplemental appropriations lead to different tradeoffs, which create challenges when choosing an analytical approach. For example, some of the IIJA supplemental appropriations for the SRFs are dedicated for specific project types, such as those to address emerging contaminants or lead service line replacement projects, and the size of the IIJA appropriations dedicated to specific project types also varies.

For FY2022 to FY2026, the IIJA CWSRF supplemental appropriations available for the full range of CWA eligibilities total $11.73 billion. Similarly, for the DWSRF, IIJA provides a total of $11.73 billion from FY2022 to FY2026 for the full range of DWSRF eligibilities. In addition to these "general" IIJA SRF appropriations, for FY2022 through FY2026, IIJA supplemental appropriations dedicated to specific project types are $15.0 billion total for the DWSRF for lead service line replacement projects, a total of $4.0 billion for the DWSRF for projects to address emerging contaminants, and a total of $1.0 billion for the CWSRF for projects to address emerging contaminants. Some of these appropriations are allocated under different allotment formulas than those used for the general SRF programs.[58] As these differences make state and fiscal year comparisons more complicated, one analytical approach is to focus only on the IIJA supplemental appropriations dedicated to the general SRF programs.[59]

The approach of focusing on only the IIJA appropriations for the full range of SRF eligibilities presents tradeoffs. It does not recognize the scale of IIJA SRF appropriations dedicated to specific projects. For example, for FY2024, IIJA provides $2.4 billion each to the CWSRF and DWSRF for the full range of eligible projects, and it provides an additional $3.8 billion for the DWSRF dedicated to specific project types (i.e., projects for emerging contaminants and lead service line replacement) and $250 million for the CWSRF specifically for emerging contaminant projects. An approach that does not consider the $3.8 billion in supplemental DWSRF appropriations and $250 million in supplemental CWSRF appropriations would understate the offsetting effect of the IIJA appropriations, as states will use this funding to support those specific projects. Regarding the costs of these projects, EPA's needs survey estimates that the costs to replace lead service lines would range from $50 billion to $80 billion (in 2021 dollars). By comparison, EPA estimated that $420.8 billion (in 2021 dollars) is needed for drinking water transmission and distribution infrastructure projects.[60]

As discussed above, IIJA provides $2.4 billion each for the CWSRF and DWSRF for FY2024. **Table 4** indicates that the overall effect of the practice of reserving funds for CPF/CDS items

[58] EPA allotted the FY2023 IIJA supplemental appropriation for lead service line replacement projects using each state's proportional share of lead service line replacement need estimates as provided by the *7th Drinking Water Infrastructure Needs Survey and Assessment*. For more information, see CRS Report R47717, *Lead Service Lines (LSLs) Replacement: Funding Developments*, by Elena H. Humphreys.

[59] For FY2022 through FY2026, IIJA provides $11.7 billion total for each of DWSRF and CWSRF programs for the full range of eligibilities under SDWA and the CWA, respectively.

[60] For more information about EPA's needs surveys, see CRS Report R47878, *Drinking Water Infrastructure Needs: Background and Issues for Congress*, by Elena H. Humphreys.

from SRF appropriations is partially offset as the IIJA appropriations for the SRF general programs increase the amount provided to states as capitalization grants.

Table 4. Percent Reduction in Water Infrastructure Funding Provided by Formula for States, Territories, and Tribes with No CPF/CDS

	Regular Appropriation	With IIJA
Clean Water		
FY2022	-27%	-13%
FY2023	-53%	-13%
FY2024	-48%	-20%
Drinking Water		
FY2022	-36%	-14%
FY2023	-55%	-19%
FY2024	-56%	-18%

Source: Calculated by CRS from the joint explanatory statement accompanying the Consolidated Appropriations Act, 2022 (P.L. 117-103), the Consolidated Appropriations Act, 2023 (P.L. 117-328), the Consolidated Appropriations Act, 2024 (P.L. 118-42), the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58), Clean Water Act formula found in 33 U.S.C. §1285(c)(3) as modified by EPA, and DWSRF formula based on the latest drinking water infrastructure needs survey, authorized by 42 U.S.C. §300j–12(a)(1)(D).

Notes: "CPF/CDS" means community project funding/congressionally directed spending. "With IIJA" includes the IIJA SRF appropriations dedicated to the full range of eligible projects and does not consider the IIJA supplemental appropriations for the SRFs dedicated to specific project types (such as emerging contaminant and lead service line replacement projects).

Overall, state SRFs received more funding in FY2024 than FY2023. IIJA SRF supplemental appropriations are $201 million higher for FY2024 than in FY2023 ($2.4 billion vs. $2.2 billion). When combined with the regular appropriations, the increase in IIJA appropriations means that state SRF programs will receive 9% more in CWSRF funding in FY2024 than in FY2023, and they will receive 6% more in DWSRF funding.

Concluding Observations

The practice of earmarking funds from the SRF appropriation raises several considerations, particularly in light of the magnitude of the needs. Adjusted for inflation, drinking water systems are estimated to need $32.7 billion annually for infrastructure improvements, and wastewater infrastructure needs are estimated at $32.9 billion annually.[61] Considering this context, some questions may arise regarding the role of earmarks in supporting congressional priorities.

A primary difference between the CPF/CDS and the SRF frameworks is who decides which projects receive funding, and how the distribution of funding among the states is determined. Under the SRF programs, the distribution of state SRF capitalization grant allotments is either

[61] CRS adjusted estimates from EPA's wastewater and drinking water infrastructure needs survey to 2023 dollars calculated from Office of Management of Budget, Table 10.1, "Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2026."

determined by CWA formula[62] or based on each state's drinking water capital infrastructure need. In addition, states develop intended use plans (IUP) that contain priority lists of projects that the state expects to fund with that year's capitalization grant. EPA reviews these lists to ensure that the projects on a state's IUP comply with the statutory priorities. For example, SDWA requires states to prioritize projects that address the most serious human health risks, projects that are needed to comply with federal drinking water regulations, and projects that assist the most disadvantaged systems.[63] A question for policymakers may be whether similar priorities to those under the SRF programs were considered during the CPF/CDS selection process.

Members of Congress may want to direct funding to a project in a specific community for a number of reasons. In some cases, a community may have been unsuccessful in seeking state approval to fund a project through the SRF framework or other applicable programs. Further, Members may wish a more direct role given considerations regarding the timing of water infrastructure projects. For some, the cost of a project financed through a state loan could be deemed unacceptably high, because repaying the loan would result in increased user fees that may be challenging for ratepayers. In addition, Members may want to directly assist communities that may be challenged in applying for SRF assistance or may lack the capacity to do so. In addition, some stakeholders have raised concerns about the state's role in developing the IUP to receive SRF assistance, particularly additional subsidization, and whether states are effectively able to identify projects in communities that may struggle to apply to the SRFs.[64] Aside from the reasons listed above, earmarks may also go to projects for other reasons, and/or earmarks may play a role in a broader context.

The combination of annual appropriations and IIJA SRF funds have increased the total amount of water infrastructure funding for all states as compared with before IIJA. An incentive may exist for states and communities to request CPF/CDS, as not doing so reduces the amount of water infrastructure funding available for projects within a state. This raises the question of how the total and project-specific funding levels for CPF/CDS are determined. SRF appropriation levels have generally remained level since about FY2018, while the amount that Congress has dedicated to CPF/CDS increased between FY2022 and FY2023 and remained level between FY2023 and FY2024. The amount of CPF/CDS allotted to some states did not compensate for the reductions in SRF grants arising from all CPF/CDS items. In certain states, the CPF/CDS state allotment resulted in increases over 100% compared with a scenario without CPF/CDS (see **Table D-1** and **Table E-1**). IIJA SRF appropriations partially offset this effect, and states, territories, and tribes will receive more SRF funding in FY2024 than in FY2023.

Another question for policymakers may involve the characteristics of the communities that receive CPF/CDS. Based on available data, the specific characteristics, such as financial demographics, of communities receiving earmarks are not clear, as there are no requirements or reporting mechanisms to record such data. CPF/CDS recipients are required to provide a minimum cost share of 20% based on the CWA and SDWA provisions for the SRF programs.[65] The remaining costs of projects are directly covered by CPF/CDS, making these projects more

[62] For more information on the history of the CWSRF allotment formula, see CRS Report R47474, *Clean Water State Revolving Fund Allotment Formula: Background and Options*, by Jonathan L. Ramseur.

[63] 42 U.S.C. §300j-12(b)(3).

[64] Letter from Rep. Carolyn Maloney, Chairwoman of House Committee on Oversight, and Rep. Bennie Thompson, Chairman of House Committee on Homeland Security, to Honorable Tate Reeves, Governor of Mississippi, October 17, 2022, https://oversightdemocrats.house.gov/sites/evo-subsites/democrats-oversight.house.gov/files/2022-10-17.CBM%20BGT%20to%20Reeves-MS%20re%20Jackson%20Water%20Crisis.pdf.

[65] 33 U.S.C. §1382(b)(2); 42 U.S.C. §300j-12(e).

affordable for communities.[66] By contrast, most communities that receive SRF assistance are required to repay 100% of the funded project cost, although some communities may receive additional subsidization. For the IIJA supplemental appropriations for the SRFs, however, states are required to dedicate 49% to 100% of their capitalization grant amount to additional subsidization. Therefore, some SRF loans may *not* have to be fully repaid; these loans may be subsidized or forgiven.[67]

As in the 117th Congress, the committees required certain oversight and transparency requirements for CPF/CDS items, such as online disclosures and auditing of selected projects by GAO. Some stakeholders have noted challenges identifying specific projects or the characteristics of the communities served by those projects.[68] Relatedly, GAO's audit of FY2022 CPF/CDS provides certain information regarding the types of projects and entities that received CPF/CDS funding.[69] For FY2023, GAO presented an assessment of CPF/CDS administered by each federal agency rather than for EPA specifically.[70]

The administration of FY2022 and FY2023 CPF/CDS garnered congressional attention during the development of FY2024 appropriations. The House Committee on Appropriations identified its frustrations with the timeliness of EPA's administration of FY2022 and FY2023 CPF/CDS.[71] The Senate Committee on Appropriations stated its frustration with EPA's "delayed engagement" on "potential solutions to help resolve" a backlog of CDS projects.[72] The joint explanatory statement accompanying P.L. 118-42 directs EPA to identify ways, aside from increases in staffing, to improve the timeliness and efficacy of CPF/CDS administration, including proposed legislative text to allow states, instead of EPA, to elect to administer CPF/CDS.[73]

Pursuant to the CWA and SDWA, the SRFs authorize states to provide technical assistance to communities that may lack the capacity to apply for SRF financial assistance. In contrast, the direct funding approach of CPF/CDS does not include technical assistance for communities. This difference may raise concerns about the relative efficiency of providing funding directly to projects through CPF/CDS versus through the state-administered SRF programs. Should EPA's proposal to improve CPF/CDS administration include more programmatic elements, such as technical assistance, another question may involve the degree to which CPF/CDS administration begins to resemble an authorized federal assistance program as compared with direct funding.

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[66] "Explanatory Statement Accompanying the Consolidated Appropriations Act, 2022," House, *Congressional Record*, vol. 168 (March 9, 2022), p. H2492.

[67] For a discussion of how states' use of additional subsidization has changed under the DWSRF, see CRS Report R47935, *Changes to the Drinking Water State Revolving Fund (DWSRF) Program*, by Elena H. Humphreys.

[68] Environmental Policy Innovation Center, "Who Benefits from State Revolving Fund Earmarks?" February 27, 2023, https://www.policyinnovation.org/blog/who-benefits-from-state-revolving-fund-earmarks.

[69] U.S. Government Accountability Office (GAO), *Tracking the Funds: Specific Fiscal Year 2022 Provisions for Environmental Protection Agency*, GAO-22-105903, September 2022, https://www.gao.gov/assets/gao-22-105903.pdf.

[70] GAO, *Tracking the Funds: Specific FY 2023 Provisions for Federal Agencies*, GAO-23-106561, September 2023, https://www.gao.gov/products/gao-23-106561.

[71] U.S. Congress, House Committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies, *Department of the Interior, the Environmental Protection Agency, Related Agencies Appropriations Act, 2024*, report to accompany H.R. 4821, 118th Cong., 1st sess., July 24, 2023, H.Rept. 118-155, p. 73.

[72] U.S. Congress, Senate Committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies, *Department of Interior, Environment, and Related Agencies Appropriations Act, 2024*, report to accompany S. 2605, 118th Cong., 1st sess., July 27, 2023, S.Rept. 118-83, p. 101.

[73] See CRS Insight IN12345, *Wastewater and Drinking Water: Committee Deadlines for EPA's Administration of "Earmarks"*, by Elena H. Humphreys, for more details.

The House and Senate Committees on Appropriations are accepting requests for CPF/CDS for FY2025.[74] Whether those funds are provided as a separate appropriation or as a set-aside from the SRF appropriation remains to be seen. For FY2025, Congress may choose to limit CPF/CDS items, stop the practice of providing CPF/CDS altogether, increase funding for CPF/CDS items, or change the manner in which funds are provided for these projects. Further, authorizing committees with jurisdiction over the SRF programs may wish to hold oversight hearings or engage in other oversight activities related to the practice and any potential impacts among stakeholders, or related to EPA's proposal to address CPF/CDS administration.

Specific to earmarks, a consideration for authorizing committees could involve the role of CPF/CDS in supporting statutory policy objectives such as prioritizing needed projects and/or supporting lower-income communities. Taken together, the reestablishment of earmarks, revisions to SRF programs intended to address affordability for communities, and increased appropriations for the SRF programs are emblematic of ongoing congressional interest in municipal water infrastructure funding.

[74] U.S. House Committee on Appropriations, "Fiscal Year 2025 Member Request Guidance," https://appropriations.house.gov/member-requests/fiscal-year-2025-member-request-guidance. U.S. Senate Committee on Appropriations, "FY 2025 Appropriations Requests and Congressionally Directed Spending," https://www.appropriations.senate.gov/fy-2025-appropriations-requests-and-congressionally-directed-spending.

Appendix A. Appendix Outline

Appendix B includes a summary table (**Table B-1**) of earmarked funds for water infrastructure projects by fiscal year. The dollar amounts included in **Table B-1** are not adjusted for inflation. The table also identifies the number of water infrastructure projects funded from the earmarks and the appropriations for the CWSRF and DWSRF by fiscal year.

Appendix C includes **Table C-1**, which identifies (1) the amount of earmarked funds by entity (state, territory, DC, and the tribes); (2) each entity's allotment of the SRF appropriations available for capitalization grants from the Consolidated Appropriations Act, 2024 (P.L. 118-42); and (3) hypothetical amounts of the SRF appropriations for each entity if CPF/CDS were not reserved from SRF appropriations from P.L. 118-42.

Appendix D contains **Table D-1**, which has eight columns. The second column shows the amount of CPF/CDS by entity (state, territory, DC, and the tribes) for FY2024. The third column shows each entity's allotment of the FY2024 regular CWSRF appropriation without including the portion of the CWSRF appropriation going to the CPF/CDS. The fourth column includes each entity's share of FY2024 IIJA supplemental appropriation for the CWSRF general program.

The fifth column identifies the sum of each entity's share of the CWSRF appropriations from the FY2024 regular appropriations act and from the FY2024 IIJA supplemental appropriation, and CPF/CDS. The sixth column identifies each entity's share of FY2024 regular and IIJA appropriations for the CWSRF in a hypothetical scenario in which the CPF/CDS is not reserved from the regular CWSRF appropriation.

The seventh column identifies the difference between the fifth and the sixth columns, thereby showing the difference due to the reservation and distribution of CPF/CDS from the CWSRF appropriations. The eighth column shows this difference represented as a percent of the hypothetical allotment of FY2024 regular and IIJA CWSRF appropriations. Note that IIJA supplemental appropriations dedicated for emerging contaminants projects are not included.

Appendix E contains **Table E-1**, which has eight columns. The second column shows the amount of CPF/CDS by entity (state, territory, DC, and the tribes) for FY2024. The third column identifies each entity's allotment of the FY2024 regular DWSRF appropriation without including CPF/CDS. The fourth column includes each entity's share of the FY2024 IIJA supplemental appropriation for the DWSRF general program.

The fifth column identifies the sum of each entity's tribal share of the FY2024 regular appropriations act and the FY2024 IIJA supplemental appropriation for the DWSRF, and CPF/CDS. The sixth column identifies each entity's share of FY2024 regular and IIJA appropriations for the DWSRF in a hypothetical scenario in which the CPF/CDS is not reserved from the regular DWSRF appropriation.

The seventh column identifies the difference between the fifth and the sixth columns, thereby showing the difference due to the reservation and distribution of CPF/CDS from the DWSRF appropriations. The eighth column shows this difference represented as a percent of the hypothetical allotment of FY2024 regular and IIJA DWSRF appropriations. Note that IIJA supplemental appropriations dedicated for emerging contaminants projects and lead service line replacement projects are not included.

Appendix B. Water Infrastructure Project Grants

Table B-1. Water Infrastructure Project Grants Designated in EPA Appropriations Acts, FY1989-FY2024

(in millions of dollars, not adjusted for inflation)

Fiscal Year	# of Projects	Total Earmarked Funds for Project Grants	Available for CWSRF Capitalization Grants	Available for DWSRF Capitalization Grants
1989	4	$68	$941	—
1990	4	$53	$967	—
1991	2	$36	$2,048	—
1992	8	$435	$1,949	—
1993	13	$556	$1,928	—
1994	9	$558	$1,218	—
1995	46	$834	$1,235	—
1996	20	$307	$2,074	—
1997	21	$301	$625	$1,275
1998	42	$393	$1,350	$725
1999	82	$402	$1,350	$775
2000	143	$395	$1,345	$820
2001	244	$466	$1,350	$825
2002	339	$459	$1,350	$850
2003	491	$413	$1,341	$845
2004	520	$425	$1,342	$845
2005	669	$402	$1,091	$843
2006	259	$289	$887	$838
2007	2	$84	$1,084	$838
2008	282	$177	$689	$829
2009	303	$184	$4,689[a]	$2,829[a]
2010	319	$187	$2,100	$1,387
2011	—	—	$1,522	$963
2012	—	—	$1,467	$918
2013	—	—	$1,376	$861
2014	—	—	$1,449	$907
2015	—	—	$1,449	$907
2016	—	—	$1,394	$863
2017	—	—	$1,394	$963
2018	—	—	$1,694	$1,163

Fiscal Year	# of Projects	Total Earmarked Funds for Project Grants	Available for CWSRF Capitalization Grants	Available for DWSRF Capitalization Grants
2019	—	—	$1,694	$1,164
2020	—	—	$1,639	$1,126
2021	—	—	$1,639	$1,126
2022	485	$841	$3,195[b]	$6,430[b]
2023	715	$1,472	$3,200[b]	$6,519[b]
2024	1,022	$1,419	$3,479[b]	$6,697[b]

Source: Compilation by CRS of water infrastructure project grants in the VA/HUD appropriations acts for FY1989-FY2005; the Interior, Environment, and Related Agencies Appropriations Act for FY2006; the Consolidated Appropriations Act for FY2008 (Division F); the Omnibus Appropriations Act, 2009; the Interior, Environment, and Related Agencies Appropriations Act, 2010; the Consolidated Appropriations Act, 2022; the Consolidated Appropriations Act, 2023; and the Consolidated Appropriations Act, 2024.

a. FY2009 includes appropriations from the American Recovery and Reinvestment Act of 2009 (ARRA; P.L. 111-5) and the Omnibus Appropriations Act, 2009 (P.L. 111-8).

b. These amounts include the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) supplemental appropriations for the SRF general programs, as well as those dedicated to specific project types (i.e., emerging contaminants and lead service lines), and the amount of regular appropriations available for SRF capitalization grants.

Appendix C. CPF/CDS Items and SRF Capitalization Grants

Table C-1. P.L. 118-42 Clean Water (CW) and Drinking Water (DW) Earmarks and SRF Capitalization Grants

(in thousands of dollars)

	CW Earmarked Funds	Actual CWSRF Capitalization Grant	Hypothetical CWSRF Capitalization Grant w/out CPF/CDS	DW Earmarked Funds	Actual DWSRF Capitalization Grant	Hypothetical DWSRF Capitalization Grant w/out CPF/CDS
AK	$7,697	$4,935	$9,554	$23,200	$4,661	$10,848
AL	$13,000	$9,221	$17,852	$14,779	$8,229	$19,153
AR	$21,500	$5,394	$10,443	$13,000	$5,580	$12,987
AS	—	$4,481	$8,675	—	$1,344	$3,128
AZ	$3,770	$5,570	$10,783	$16,949	$8,153	$18,976
CA	$54,499	$58,976	$114,177	$55,115	$50,283	$117,034
CO	$4,260	$6,596	$12,770	$15,024	$8,164	$19,002
CT	$10,721	$10,102	$19,557	$5,160	$4,661	$10,848
DC	—	$4,048	$7,837	—	$4,661	$10,848
DE	$6,225	$4,048	$7,837	—	$4,661	$10,848
FL	$33,751	$27,835	$53,888	$15,615	$16,819	$39,146
GA	$19,206	$13,942	$26,991	$8,993	$12,637	$29,413
GU	—	$3,242	$6,276	—	$1,888	$4,394
HI	$4,835	$6,387	$12,365	$6,805	$4,661	$10,848
IA	$3,750	$11,160	$21,606	$5,500	$7,007	$16,309
ID	$6,751	$4,048	$7,837	$5,500	$4,661	$10,848
IL	$19,727	$37,295	$72,202	$26,897	$14,143	$32,918
IN	$1,920	$19,873	$38,474	$960	$7,997	$18,613
KS	$2,469	$7,443	$14,410	$2,879	$5,198	$12,098
KY	$14,710	$10,495	$20,318	$15,300	$5,674	$13,206
LA	$3,400	$9,065	$17,550	$14,518	$6,363	$14,810
MA	$21,267	$27,997	$54,202	$16,258	$10,006	$23,289
MD	$13,835	$19,944	$38,611	$6,801	$9,683	$22,537
ME	$44,666	$6,383	$12,357	$14,547	$4,661	$10,848
MI	$30,410	$35,457	$68,644	$24,168	$10,634	$24,751
MN	$19,928	$15,156	$29,342	$18,181	$7,050	$16,409
MO	$2,000	$22,860	$44,257	$1,000	$7,588	$17,661
MP	$1,920	$2,083	$4,033	$960	$2,060	$4,795

	CW Earmarked Funds	Actual CWSRF Capitalization Grant	Hypothetical CWSRF Capitalization Grant w/out CPF/CDS	DW Earmarked Funds	Actual DWSRF Capitalization Grant	Hypothetical DWSRF Capitalization Grant w/out CPF/CDS
MS	$28,398	$7,429	$14,382	$16,122	$5,837	$13,586
MT	—	$4,048	$7,837	—	$4,661	$10,848
NC	$16,598	$14,882	$28,811	$7,718	$12,843	$29,892
ND	—	$4,048	$7,837	—	$4,661	$10,848
NE	$10,590	$4,218	$8,166	$18,315	$4,661	$10,848
NH	$3,955	$8,241	$15,954	$1,500	$4,661	$10,848
NJ	$29,598	$33,697	$65,237	$14,311	$8,273	$19,255
NM	$7,189	$4,048	$7,837	$6,545	$4,661	$10,848
NV	$16,917	$4,048	$7,837	$3,395	$4,832	$11,247
NY	$51,350	$91,023	$176,219	$49,301	$21,769	$50,667
OH	$43,454	$46,422	$89,872	$32,386	$10,525	$24,497
OK	$12,149	$6,662	$12,898	$8,125	$6,774	$15,767
OR	$20,080	$9,315	$18,034	$11,855	$7,011	$16,318
PA	$16,877	$32,664	$63,237	$22,707	$15,375	$35,785
PR	—	$10,755	$20,821	—	$4,661	$10,848
RI	$10,866	$5,537	$10,720	$2,100	$4,661	$10,848
SC	$14,740	$8,448	$16,355	$20,015	$5,825	$13,558
SD	$23,600	$4,048	$7,837	—	$4,661	$10,848
TN	$1,000	$11,979	$23,191	$8,763	$7,846	$18,262
Tribes	—	$16,880	$32,679	—	$9,767	$22,733
TX	$29,992	$37,690	$72,967	$13,975	$37,157	$86,483
UT	$750	$4,345	$8,412	$15,878	$4,661	$10,848
VA	$15,464	$16,876	$32,672	$11,169	$6,581	$15,317
VI	—	$2,601	$5,035	—	$1,699	$3,954
VT	$4,080	$4,048	$7,837	$5,835	$4,661	$10,848
WA	$32,389	$14,340	$27,762	$13,296	$10,672	$24,839
WI	$8,630	$22,293	$43,159	$13,320	$7,980	$18,573
WV	$22,772	$12,855	$24,887	$6,922	$4,661	$10,848
WY	—	$4,048	$7,837	—	$4,661	$10,848

Source: Calculated by CRS from the joint explanatory statement accompanying the Consolidated Appropriations Act, 2024 (P.L. 118-42), statutory formula found in Clean Water Act Section 205 (33 U.S.C. §1285(c)(3)), and an allotment formula based on the latest drinking water infrastructure needs survey, authorized by SDWA Section 1452(a)(1)(D) (42 U.S.C. §300j–12(a)(1)(D)).

Notes: Due to rounding, numbers may not total. Under both the CWSRF and DWSRF, Puerto Rico operates state revolving funds, and thus is considered a state for the purposes of these programs.

Appendix D. Clean Water Infrastructure Funding

Table D-1. FY2024 Clean Water (CW) Infrastructure Allotments

(in thousands of dollars)

	P.L. 118-42 CPF/CDS	P.L. 118-42 CWSRF Cap Grant	IIJA FY2024 CWSRF GP Cap Grant	Actual FY2024 CW Funds (P.L. 118-42 + IIJA)	Hypothetical FY2024 CWSRF Allotments w/out CPF/CDS	Difference Between Actual and Hypothetical	Difference as a Percent of Hypothetical Allotment
AK	$7,697	$4,935	$13,748	$26,380	$23,302	$3,078	13%
AL	$13,000	$9,221	$25,686	$47,907	$43,538	$4,369	10%
AR	$21,500	$5,394	$15,027	$41,921	$25,470	$16,451	65%
AS	—	$4,481	$12,758	$17,239	$21,433	-$4,194	-20%
AZ	$3,770	$5,570	$15,515	$24,855	$26,298	-$1,444	-5%
CA	$54,499	$58,976	$164,290	$277,765	$278,467	-$701	0%
CO	$4,260	$6,596	$18,375	$29,231	$31,145	-$1,914	-6%
CT	$10,721	$10,102	$28,141	$48,964	$47,698	$1,265	3%
DC	—	$4,048	$11,277	$15,325	$19,114	-$3,789	-20%
DE	$6,225	$4,048	$11,277	$21,550	$19,114	$2,436	13%
FL	$33,751	$27,835	$77,540	$139,126	$131,428	$7,698	6%
GA	$19,206	$13,942	$38,839	$71,987	$65,830	$6,156	9%
GU	—	$3,242	$9,231	$12,473	$15,507	-$3,034	-20%
HI	$4,835	$6,387	$17,791	$29,013	$30,156	-$1,143	-4%
IA	$3,750	$11,160	$31,090	$46,000	$52,696	-$6,696	-13%
ID	$6,751	$4,048	$11,277	$22,076	$19,114	$2,962	15%
IL	$19,727	$37,295	$103,891	$160,913	$176,093	-$15,180	-9%
IN	$1,920	$19,873	$55,361	$77,154	$93,835	-$16,681	-18%
KS	$2,469	$7,443	$20,735	$30,647	$35,145	-$4,498	-13%
KY	$14,710	$10,495	$29,236	$54,441	$49,554	$4,887	10%
LA	$3,400	$9,065	$25,252	$37,717	$42,802	-$5,085	-12%
MA	$21,267	$27,997	$77,992	$127,256	$132,194	-$4,938	-4%
MD	$13,835	$19,944	$55,558	$89,337	$94,169	-$4,832	-5%
ME	$44,666	$6,383	$17,782	$68,831	$30,139	$38,691	128%
MI	$30,410	$35,457	$98,772	$164,639	$167,416	-$2,777	-2%
MN	$19,928	$15,156	$42,221	$77,305	$71,563	$5,742	8%
MO	$2,000	$22,860	$63,680	$88,540	$107,937	-$19,397	-18%
MP	$1,920	$2,083	$5,930	$9,933	$9,963	-$30	0%
MS	$28,398	$7,429	$20,696	$56,523	$35,078	$21,445	61%

	P.L. 118-42 CPF/CDS	P.L. 118-42 CWSRF Cap Grant	IIJA FY2024 CWSRF GP Cap Grant	Actual FY2024 CW Funds (P.L. 118-42 + IIJA)	Hypothetical FY2024 CWSRF Allotments w/out CPF/CDS	Difference Between Actual and Hypothetical	Difference as a Percent of Hypothetical Allotment
MT	—	$4,048	$11,277	$15,325	$19,114	-$3,789	-20%
NC	$16,598	$14,882	$41,458	$72,938	$70,269	$2,668	4%
ND	—	$4,048	$11,277	$15,325	$19,114	-$3,789	-20%
NE	$10,590	$4,218	$11,749	$26,557	$19,915	$6,642	33%
NH	$3,955	$8,241	$22,956	$35,152	$38,910	-$3,758	-10%
NJ	$29,598	$33,697	$93,870	$157,165	$159,107	-$1,942	-1%
NM	$7,189	$4,048	$11,277	$22,514	$19,114	$3,400	18%
NV	$16,917	$4,048	$11,277	$32,242	$19,114	$13,128	69%
NY	$51,350	$91,023	$253,548	$395,921	$429,767	-$33,846	-8%
OH	$43,454	$46,422	$129,319	$219,195	$219,191	$4	0%
OK	$12,149	$6,662	$18,559	$37,370	$31,457	$5,913	19%
OR	$20,080	$9,315	$25,950	$55,345	$43,984	$11,361	26%
PA	$16,877	$32,664	$90,993	$140,534	$154,230	-$13,696	-9%
PR	—	$10,755	$29,961	$40,716	$50,782	-$10,066	-20%
RI	$10,866	$5,537	$15,424	$31,827	$26,144	$5,683	22%
SC	$14,740	$8,448	$23,533	$46,721	$39,888	$6,833	17%
SD	$23,600	$4,048	$11,277	$38,925	$19,114	$19,811	104%
TN	$1,000	$11,979	$33,370	$46,349	$56,561	-$10,212	-18%
Tribes	—	$16,880	$48,060	$64,940	$80,739	-$15,799	-20%
TX	$29,992	$37,690	$104,993	$172,675	$177,960	-$5,285	-3%
UT	$750	$4,345	$12,104	$17,199	$20,516	-$3,317	-16%
VA	$15,464	$16,876	$47,011	$79,351	$79,683	-$332	0%
VI	—	$2,601	$7,405	$10,006	$12,440	-$2,434	-20%
VT	$4,080	$4,048	$11,277	$19,405	$19,114	$291	2%
WA	$32,389	$14,340	$39,948	$86,677	$67,710	$18,967	28%
WI	$8,630	$22,293	$62,102	$93,025	$105,261	-$12,236	-12%
WV	$22,772	$12,855	$35,809	$71,436	$60,696	$10,740	18%
WY	—	$4,048	$11,277	$15,325	$19,114	-$3,789	-20%

Source: Calculated by CRS from the joint explanatory statement accompanying the Consolidated Appropriations Act, 2024 (P.L. 118-42), the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58), and Clean Water Act formula found in 33 U.S.C. §1285(c)(3)), as modified by EPA.

Notes: "IIJA FY2024 CWSRF GP Cap Grant" includes the IIJA supplemental appropriations for the CWSRF general program, only. It does not include the IIJA FY2024 CWSRF appropriation dedicated to emerging contaminant projects.

Appendix E. Drinking Water Infrastructure Funding

Table E-1. FY2024 Drinking Water (DW) Infrastructure Allotments

(in thousands of dollars)

	P.L. 118-42 CPF/CDS	P.L. 118-42 DWSRF Cap Grant	IIJA FY2024 DWSRF GP Cap Grant	Actual FY24 DW Funds (P.L. 118-42 +IIJA)	Hypothetical FY24 DWSRF Allotments w/out CPF/CDS	Difference Between Actual and Hypothetical	Difference as a Percent of Hypothetical Allotment
AK	$23,200	$4,661	$22,985	$50,846	$33,833	$17,013	50%
AL	$14,779	$8,229	$40,585	$63,593	$59,738	$3,855	6%
AR	$13,000	$5,580	$27,520	$46,100	$40,507	$5,593	14%
AS	—	$1,344	$6,630	$7,974	$9,758	-$1,784	-18%
AZ	$16,949	$8,153	$40,210	$65,312	$59,186	$6,126	10%
CA	$55,115	$50,283	$247,974	$353,372	$365,008	-$11,636	-3%
CO	$15,024	$8,164	$40,265	$63,453	$59,267	$4,187	7%
CT	$5,160	$4,661	$22,985	$32,806	$33,833	-$1,028	-3%
DC	—	$4,661	$22,985	$27,646	$33,833	-$6,187	-18%
DE	—	$4,661	$22,985	$27,646	$33,833	-$6,187	-18%
FL	$15,615	$16,819	$82,948	$115,382	$122,094	-$6,712	-5%
GA	$8,993	$12,637	$62,323	$83,953	$91,736	-$7,783	-8%
GU	—	$1,888	$9,309	$11,197	$13,703	-$2,506	-18%
HI	$6,805	$4,661	$22,985	$34,451	$33,833	$618	2%
IA	$5,500	$7,007	$34,558	$47,065	$50,867	-$3,802	-7%
ID	$5,500	$4,661	$22,985	$33,146	$33,833	-$687	-2%
IL	$26,897	$14,143	$69,753	$110,793	$102,671	$8,123	8%
IN	$960	$7,997	$39,439	$48,396	$58,052	-$9,656	-17%
KS	$2,879	$5,198	$25,634	$33,711	$37,732	-$4,021	-11%
KY	$15,300	$5,674	$27,982	$48,956	$41,188	$7,768	19%
LA	$14,518	$6,363	$31,379	$52,260	$46,189	$6,071	13%
MA	$16,258	$10,006	$49,350	$75,614	$72,639	$2,975	4%
MD	$6,801	$9,683	$47,757	$64,241	$70,294	-$6,053	-9%
ME	$14,547	$4,661	$22,985	$42,193	$33,833	$8,360	25%
MI	$24,168	$10,634	$52,446	$87,248	$77,197	$10,052	13%
MN	$18,181	$7,050	$34,769	$60,000	$51,178	$8,822	17%
MO	$1,000	$7,588	$37,421	$46,009	$55,082	-$9,073	-16%
MP	$960	$2,060	$10,160	$13,180	$14,955	-$1,775	-12%
MS	$16,122	$5,837	$28,785	$50,744	$42,371	$8,373	20%
MT	—	$4,661	$22,985	$27,646	$33,833	-$6,187	-18%

	P.L. 118-42 CPF/CDS	P.L. 118-42 DWSRF Cap Grant	IIJA FY2024 DWSRF GP Cap Grant	Actual FY24 DW Funds (P.L. 118-42 +IIJA)	Hypothetical FY24 DWSRF Allotments w/out CPF/CDS	Difference Between Actual and Hypothetical	Difference as a Percent of Hypothetical Allotment
NC	$7,718	$12,843	$63,340	$83,901	$93,232	-$9,331	-10%
ND	—	$4,661	$22,985	$27,646	$33,833	-$6,187	-18%
NE	$18,315	$4,661	$22,985	$45,961	$33,833	$12,127	36%
NH	$1,500	$4,661	$22,985	$29,146	$33,833	-$4,687	-14%
NJ	$14,311	$8,273	$40,803	$63,387	$60,058	$3,329	6%
NM	$6,545	$4,661	$22,985	$34,191	$33,833	$357	1%
NV	$3,395	$4,832	$23,831	$32,058	$35,078	-$3,020	-9%
NY	$49,301	$21,769	$107,363	$178,433	$158,030	$20,402	13%
OH	$32,386	$10,525	$51,905	$94,816	$76,402	$18,414	24%
OK	$8,125	$6,774	$33,407	$48,306	$49,174	-$868	-2%
OR	$11,855	$7,011	$34,575	$53,441	$50,893	$2,548	5%
PA	$22,707	$15,375	$75,829	$113,911	$111,614	$2,297	2%
PR	—	$4,661	$22,985	$27,646	$33,833	-$6,187	-18%
RI	$2,100	$4,661	$22,985	$29,746	$33,833	-$4,087	-12%
SC	$20,015	$5,825	$28,728	$54,568	$42,286	$12,282	29%
SD	—	$4,661	$22,985	$27,646	$33,833	-$6,187	-18%
TN	$8,763	$7,846	$38,692	$55,301	$56,954	-$1,653	-3%
Tribes	—	$9,767	$48,060	$57,827	$70,793	-$12,966	-18%
TX	$13,975	$37,157	$183,256	$234,388	$269,739	-$35,351	-13%
UT	$15,878	$4,661	$22,985	$43,524	$33,833	$9,690	29%
VA	$11,169	$6,581	$32,458	$50,208	$47,775	$2,432	5%
VI	—	$1,699	$8,378	$10,077	$12,332	-$2,255	-18%
VT	$5,835	$4,661	$22,985	$33,481	$33,833	-$352	-1%
WA	$13,296	$10,672	$52,634	$76,602	$77,473	-$871	-1%
WI	$13,320	$7,980	$39,358	$60,658	$57,931	$2,726	5%
WV	$6,922	$4,661	$22,985	$34,568	$33,833	$735	2%
WY	—	$4,661	$22,985	$27,646	$33,833	-$6,187	-18%

Source: Calculated by CRS from the joint explanatory statement accompanying the Consolidated Appropriations Act, 2024 (P.L. 118-42), the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58), and DWSRF formula based on the latest drinking water infrastructure needs survey, authorized by 42 U.S.C. §300j–12(a)(1)(D).

Notes: Under the DWSRF, Puerto Rico operates a state revolving fund, and thus is considered a state for the purposes of this program. "IIJA FY2024 DWSRF GP Cap Grant" includes the IIJA supplemental appropriations for the DWSRF general program, only. It does not include IIJA FY2024 DWSRF appropriations dedicated to specific project types (i.e., emerging contaminants and lead service lines).

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