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## *April 2022 Insights*

### **FY22 “Water” Appropriations**

On March 15, the President signed into law the FY22 Omnibus Appropriations Act funding all 12 appropriations bills for the remainder of the current fiscal year. Included in the bill are \$1.638B for the Clean Water SRF, \$1.126B for the Safe Drinking Water SRF, \$35.693M for the traditional Title XVI program, and \$17.5M for Title XVI WIIN grants. These funding amounts are over and above those included in the Bipartisan Infrastructure Law - \$2.127B for the Clean Water SRF, \$6.702B for the Safe Drinking Water SRF, and \$500M for Title XVI and the Title XVI WINN programs combined. As a result, for the current fiscal year total funding for the Clean Water SRF is \$3.765B, \$7.828 for the Safe Drinking Water SRF, and \$553.193M for both Title XVI programs.

### **FY22 “Transportation” Appropriations**

The bill provides a total of \$102.9B for DOT – an increase of \$16.2B above the FY21 level. It includes \$775M for National Infrastructure Investments (RAISE/TIGER/BUILD) grants; \$57.5B for Federal Highway Administration formula programs funded from the Highway Trust Fund; \$2.4B for highway infrastructure programs and projects; \$856M for the Federal Motor Carrier Safety Administration and \$1.2 billion for the National Highway Traffic Safety Administration to make trucks, cars, and the Nation’s roads safer; \$625M for the Consolidated Rail Infrastructure and Safety Improvements grant program; \$2.3B for Amtrak; \$16.3B for the Federal Transit Administration, including \$13.4 billion for transit formula grants; \$2.3B for Capital Investment Grants; and, \$504.3M for transit infrastructure grants and projects.

### **President’s FY23 Proposed “Water” Budget**

On March 28, the President released his FY23 Budget. It includes \$1.638.8B for the Clean Water SRF and \$1.126.1B for the Safe Drinking Water SRF. See last line below - amounts are in addition to the SRF funding in the Bipartisan Infrastructure Law. The Budget provides roughly \$4B for water infrastructure, an increase of \$1B over the 2021 enacted level. These resources would advance efforts to upgrade drinking water and wastewater infrastructure nationwide, with a focus on underserved communities that have historically been overlooked. The budget funds all of the authorizations in the original Drinking Water and Wastewater Infrastructure Act of 2021, including the creation of 20 new targeted water grant programs and an increase of over \$160M above 2021 enacted levels for the Reducing Lead in Drinking Water grant program. The budget also maintains funding for EPA’s State Revolving Funds (SRF) at 2021 enacted levels, which would complement the \$23.4B provided for the traditional SRF programs in the Bipartisan Infrastructure Law.

## **President’s FY23 Proposed “Transportation” Budget**

The budget provides \$68.9B for the Federal-aid Highway program, a \$19.8 billion increase from the 2021 enacted level. This includes \$9.4 billion provided by the Bipartisan Infrastructure Law for 2023 and which also supports: \$8B for new competitive and formula grant programs to rebuild the Nation’s bridges; \$1.4B to deploy a nationwide, publicly-accessible network of electric vehicle chargers and other alternative fueling infrastructure; \$1.3B for a new carbon reduction grant program; and \$1.7B for a new resiliency grant program to enhance the resilience of surface transportation infrastructure to hazards and climate change. The budget also provides more than \$2.5B for the Federal Motor Carrier Safety Administration and the National Highway Traffic Safety Administration, an \$857M increase above the 2021 enacted level. Lastly, to strengthen the Nation’s transit systems, reduce emissions, and improve transportation access for people with disabilities and historically disadvantaged communities, the budget provides the Federal Transit Administration with \$21.1B, an \$8.2B increase over the 2021 enacted level.

### **“Build Back Better” Bills (BBB)**

Efforts are on-going between The White House and the Senate Democratic leadership to identify provisions from the House-passed bill that could be considered in smaller, separate bills that would either have enough Democratic votes or bipartisan votes for passage. Pursuant to that, Senator Manchin has signaled that he is open to negotiations on a more limited bill. Included in the House-passed bill of interest to the Coalition are the following -

- \$30B for Safe Drinking Water SRF lead service line replacement projects;
- \$100M for state public water systems;
- \$700M to reduce lead in school drinking water;
- \$100M for large scale water recycling projects;
- \$1.15B for emergency drought relief;
- \$125M for Alternative Water Source Program grants;
- \$2B for sewer overflow and storm water reuse grants.
- \$4B for reduction of carbon in the surface transportation sector;
- \$4B for affordable and safe transportation access;
- \$6B for local surface transportation projects; and,
- \$2B for sewer overflow and storm water reuse grants.

No funding for the Clean Water SRF is included in the House BBB. It does include new taxes.

Unofficially, the Senate Environment and Public Works Committee released its BBB title which includes \$9B for SDWSRF-funded lead remediation projects, \$225M for rural and low-income water assistance grants, \$125M for Alternative Water Source Program grants, and \$500M for sewer overflow and storm water reuse municipal grants.

### **“Infrastructure Investment and Jobs Act” (BIF)**

The \$1.2T law (P.L. 117-58) includes the following (it does not include any new taxes) –

- For FY22-26 \$12.838B for the Clean Water State SRF, starting at \$2.127B in FY22 and going up to \$2.828B in FY26;
- \$35.713B over five years for the Safe Drinking Water SRF, starting at \$6.702B in FY22 and going up to \$7.403B in FY26;

- No appropriations are included for the Alternative Water Source Projects program (an authorization of \$125M over 5 fiscal years is included);
- \$8.3B for the USBR for FY22-26 with an annual cap of \$1.66B per year including a number of programs under USBR’s jurisdiction with specific appropriated amounts but without specifying annual funding amounts for each program;
- For water recycling, the bill appropriates \$1B over 5 FY’s, broken down to \$550M for Title XVI and WIIN Act grants and \$450M for “large scale” projects (those with project costs >\$500M);
- \$400M over 5 FY’s for WaterSMART;
- \$1.2B for water storage and groundwater;
- \$25M for desalination; and,
- S. 914, as passed by the Senate, which authorizes \$14.65B over five fiscal years for the Clean Water SRF and the Safe Drinking Water SRF, and \$125M for the AWSP and which includes the Feinstein-Padilla amendment which limits the prohibition against applying for Alternative Water Source Program (AWSP) grants to USBR projects that received construction funds; and,

Other core infrastructure -

- \$65B for Broadband
- \$17B for Ports
- \$25B for Airports
- \$7.5B for Zero and Low-Emission Buses and Ferries
- \$7.5B for Plug-In Electric Vehicle Chargers
- \$65B to Rebuild the Electric Grid
- \$21B for Superfund and Brownfield sites

**Highway Bill (FAST Act reauthorization)**

The Senate FAST Act reauthorization bill is included in the enacted BIF. It authorizes \$287B in highway spending, ninety percent of which would be distributed to the states by formula. It also authorizes \$10.8B for various programs addressing resiliency and \$2.5B for electric, hydrogen, and natural gas vehicle charging and fueling stations. It provides billions for curbing emissions, reducing congestion and truck idling. It also streamlines infrastructure permitting and sets a two-year target for environmental reviews. Lastly, the bill authorizes \$12.5M per year to fund state and regional pilot testing of user-based alternative revenue mechanisms to the gas tax.

**Job Opportunities**

NOTE: will make available list of grantees for the programs below when announced so that Coalition members will know what projects in their state have received funding and could provide opportunities for jobs.

The following programs will be monitored: Clean Water SRF, Safe Drinking Water SRF, EPA’s State and Tribal Assistance grant program, USBR’s Title XVI grant programs, and the Alternative Water Source Program if it gets funding in the final Build Back Better bill.

USBR Title XVI Recycled Water Grants – applications for \$245M for FY22 were due by March 15.

Clean Water and Safe Drinking Water SRF state allocations - released

State and Tribal Assistance grants – nothing announced so far.

Alternative Water Source Program grants – pending action on the Build Back Better bills.

Mentioning a fifth – WRDA which is up for reauthorization this year. We will monitor the process but don't expect it to address any issues of interest although it might be a possible vehicle for including the Title XVI "fixes." On March 16, the Water Resources Subcommittee of the House Transportation and Infrastructure Committee held a hearing to examine Members' priorities in the development of the Water Resources Development Act of 2022.

### **Bills of Interest**

Note: the following bills have some policy issues which were not addressed in the bipartisan infrastructure law and the House-passed BBB. Issues of interest in some of the bills below (H.R. 1015, H.R. 3404, STREAM Act) include raising the Federal share project cap from \$20 to \$30 M (although for FY22 the USBR has done so), removing the congressional approval process requirement, and providing opportunities for unauthorized projects to compete for both traditional Title XVI and Title XVI WIIN grants.

Note further: on March 2, spoke with Morgan Leonard, LA, Congresswoman Napolitano, and asked her what the plans are for H.R.1015. She said she would contact the Natural Resources committee and report back.

The goal is to get these changes enacted into law notwithstanding any administrative effort by the USBR to address the issues.

#### H.R. 1015, "Water Recycling Investment and Improvement Act" and STREAM Act ("Support to Rehydrate the Environment, Agriculture and Municipalities Act")

H.R. 1015 not only authorizes \$500M for WIIN Act grants but also eliminates the requirement that Congress must approve funding awards for specific projects by designating them in an enacted appropriations bill and increases the Federal share from \$20M to \$30M.

The STREAM Act, while authorizing the WIIN grant program at \$250M, includes the same WIIN grant changes and establishes a new Reclamation Infrastructure Finance Program, expedites congressional approval for water shortage projects of \$750 million, and authorizes \$100 million for desalination projects.

#### H.R. 3404, "FUTURE Western Water Infrastructure and Drought Resiliency Act"

H.R. 3404 also authorizes \$500M for the WIIN Act grant program, increases the Federal share to \$30M, and authorizes a new \$300M water trust fund with \$100M earmarked for recycled water projects.

#### H.R. 4099, the "Large Scale Water Recycling Project Investment Act"

The BIF appropriates \$450M for large water recycling projects with total estimated cost of at least \$500M with the Federal share at 25%.

### **Bill Tracking**

Tracking bills that are marked up by committees and/or have come to our attention.