



COUNCIL OF INFRASTRUCTURE FINANCING AUTHORITIES

Interior, Environment and Related Agencies Federal Budget for Fiscal Year 2023

Status

Different appropriations bills have been introduced in the U.S. House of Representatives and U.S. Senate.

U.S. House: On Wednesday, July 6, 2022, the [2023 Appropriations Bill for the Interior, Environment, and Related Agencies \(H.R. 8262\)](#) and accompanying [Committee Report](#) was introduced in the U.S. House of Representatives. The bill was combined with other appropriations bills (Labor, Health and Human Services, Education, Agriculture, Rural Development, Energy and Water Development, Financial Services and General Government, Military Construction, Veterans Affairs, Transportation, and Housing and Urban Development Appropriations Act) to form a [mini-omnibus](#).

U.S. Senate: On Thursday, July 28, 2022, the [2023 Appropriations Bill for the Interior, Environment, and Related Agencies \(S. 4686\)](#) and accompanying [Statement of Explanation](#) was introduced in the U.S. Senate.

Overview of 2023 Senate Budget

- The Senate increases funding for each capitalization grant by \$50 million and reduces funding for earmarks, which increases funding available for SRF state allotments.
- The Senate funds 319 earmarks for \$565,216,000, a decrease of 33% from 2022.
- The Senate provides \$30.7 million to EPA to administer earmarks, 5.4% of total funding or \$96,238 per project.
- Under the Senate bill, next year's funding remains below 2021 funding:
 - 17% less for the Clean Water SRF
 - 16% less for the Drinking Water SRF

Overview of 2023 House Budget

- The House increases funding for the capitalization grants but those increases primarily offset increases in funding for earmarks.

- The House funds 415 earmarks for \$932,664,763, an 11% increase from 2022.
- Under the House bill, next year’s funding remains below 2021 funding:
 - 27% less for the Clean Water SRF
 - 34% less for the Drinking Water SRF

Three-Year Comparison of SRF Capitalization Grants

Clean Water SRF	2021 Budget	2022 Budget	2023 House Budget	2023 Senate Budget
Capitalization Grant	\$1,638,826,000	\$1,638,826,000	\$1,751,646,000	\$1,688,847,000
Earmarks	\$0	\$443,639,051	\$553,401,264	\$335,606,000
Allotment for States	\$1,638,826,000	\$1,195,186,949	\$1,198,244,736	\$1,353,241,000
Drinking Water SRF				
Capitalization Grant	\$1,126,088,000	\$1,126,088,000	\$1,126,096,000	\$1,176,095,000
Earmarks	\$0	\$397,766,044	\$381,263,499	\$229,610,000
Allotment for States	\$1,126,088,000	\$728,321,956	\$744,832,501	\$946,485,000
Totals				
Capitalization Grants	\$2,764,914,000	\$2,764,914,000	\$2,877,742,000	\$2,864,942,000
Earmarks		\$841,405,095	\$934,664,763	\$565,216,000
Total State Allotment	\$2,764,914,000	\$1,923,508,905	\$1,943,077,237	\$2,299,726,000

Funding Mandates

Both budgets contain the same policy and mandates.

Clean Water SRF:

- Mandates 10% of annual federal funding be used for green projects
- Mandates 10% of annual federal funding be used for additional subsidy (principal forgiveness or grants) for any eligible project
 - This mandate is in addition to the 10% mandate for additional subsidy in the Clean Water Act for communities that meet the state’s affordability criteria as long as there are eligible applications.

Drinking Water SRF

- Mandates 14% of annual federal funding be used for additional subsidy (principal forgiveness or grants) for any eligible project
 - This mandate is in addition to the 12% mandate for additional subsidy in the Safe Drinking Water Act for communities that meet the state’s definition of disadvantaged community as long as there are eligible applications.

Budget Comparison from 2022 to 2023 for House and Senate Budgets

Clean Water SRF	2022 Budget	2023 House Budget	House % Change from 2022	2023 Senate Budget	Senate % Change from 2022
Capitalization Grant	\$1,638,826,000	\$1,751,646,000	+ 7%	\$1,688,847,000	+ 3%
Earmarks	\$443,639,051	\$553,401,264	+ 25%	\$335,606,000	- 24%
Allotment for States	\$1,195,186,949	\$1,198,244,736	+ <1%	\$1,353,241,000	+ 13%
Drinking Water SRF					
Capitalization Gran	\$1,126,088,000	\$1,126,096,000	+ <1%	\$1,176,095,000	+ 4%
Earmarks	\$397,766,044	\$381,263,499	- 4%	\$229,610,000	- 42%
Allotment for States	\$728,321,956	\$744,832,501	+ 2%	\$946,485,000	+ 30%
Totals					
Capitalization Grants	\$2,764,914,000	\$2,877,742,000	+ 4%	\$2,864,942,000	+ 4%
Earmarks	\$841,405,095	\$934,664,763	+ 11%	\$565,216,000	- 33%
Total State Allotment	\$1,923,508,905	\$1,943,077,237	+ 1%	\$2,299,726,000	+ 20%