



COUNCIL OF INFRASTRUCTURE FINANCING AUTHORITIES

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U.S. House Committee Cuts \$1.7 Billion in Funding for State Water Projects Bill Cuts Funding to States and Grows Massive New Federal Grant Program at EPA

Washington, D.C. – Today, the U.S. House of Representatives Appropriations Committee voted 29 – 25, along party lines, to cut nearly \$1.7 billion from fiscally responsible state-run loan programs for water infrastructure. These draconian cuts reduce access to affordable financing for projects that provide safe drinking water, recycled water, wastewater services and stormwater management in communities across the nation.

“The bill slashes federal funding for fiscally responsible loan programs for water infrastructure,” said Deirdre Finn, Executive Director of the Council of Infrastructure Financing Authorities (CIFA). “It’s a double whammy – a massive cut for water infrastructure that protects public health and an even bigger diversion of federal funding from fiscally responsible loans to grants.”

The House bill cuts nearly \$700 million in annual federal funding from the Clean Water and Drinking Water State Revolving Funds (SRFs), state-run loan programs for water infrastructure, and then diverts another \$1 billion from these state-run loan programs to grow a massive new federal grant program for congressional earmarks at the U.S. Environmental Protection Agency (EPA). [See the impact to states.](#)

“It’s misleading to say that the bill cuts funding for EPA,” said Finn. “The House bill actually cuts funding to the states and, at the same time, creates a massive new federal grant program for congressional earmarks at EPA.”

According to the Appropriations Committee, the House bill cuts \$1.8 billion in federal funding from EPA. Nearly 40% (\$678 million) are cuts to the state-run SRFs, federal funding that essentially passes through EPA to the states. The House bill then guts federal funding for the state-run loan programs by diverting another \$1 billion from loans to grants to pay for congressional earmarks, which are managed by EPA.

“Funding for water infrastructure is anything but wasteful spending,” said Finn. “A clean environment and safe drinking water are basic necessities for public health.”

SRF loans are fiscally responsible because SRF loan repayments provide a permanent source of recurring funding to meet the never-ending need to rehabilitate, replace and modernize aging water, wastewater and stormwater infrastructure.

The bill also waives federal rules requiring competitive procurement for congressional earmarks from 2022 through 2025.