



February 17, 2025

The Honorable Mike Simpson
Chairman
U.S. House Appropriations Subcommittee on
Interior, Environment and Related Agencies
Washington, D.C. 20515

The Honorable Lisa Murkowski
Chair
U.S. Senate Appropriations Subcommittee on
Interior, Environment and Related Agencies
Washington, D.C. 20510

The Honorable Chellie Pingree
Ranking Member
U.S. House Appropriations Subcommittee on
Interior, Environment and Related Agencies
Washington, D.C. 20515

The Honorable Jeff Merkley
Vice Chair
U.S. Senate Appropriations Subcommittee on
Interior, Environment and Related Agencies
Washington, D.C. 20510

Re: 2025 and 2026 Fiscal Year Appropriations for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Dear Chairman Simpson, Chair Murkowski, Ranking Member Pingree and Vice Chair Merkley:

As your Committees finalize appropriations for fiscal year 2025 and begin the appropriations process for fiscal year 2026, the Council of Infrastructure Financing Authorities (CIFA) urges full funding of the Clean Water and Drinking Water State Revolving Funds (SRFs) at congressionally authorized levels of \$3.25 billion for each program for both fiscal years and funding of congressional priority projects *in addition to* fully funding the SRFs.

Clean, safe water is essential to human health.

Fully funding the SRFs will expand access to affordable financing for infrastructure that provides safe drinking water, suitable recycled water, wastewater services and stormwater management in thousands of communities around the nation every year. Funding congressional priority projects in addition to SRFs, which fund state priority projects, provides a comprehensive approach to investing in public health infrastructure.

Reliable annual federal funding is needed to maintain a consistent pipeline of water infrastructure projects, especially for small, rural communities.

Annual federal funding allows the SRFs to:

- Maintain low interest rates on SRF subsidized loans to provide more affordable financing.
- Provide principal forgiveness and grants to communities that couldn't otherwise afford to build the water infrastructure needed to protect human health.

- Issue more bonds to leverage their programs to meet higher demand for financing.
- Supplement state and local water quality programs that protect the sources of drinking water and train staff at local water utilities.
- Provide technical assistance to help small and rural communities build physical, financial and operational resiliency.
- Build a permanent pool of loan repayments to continue to provide affordable financing for water infrastructure projects for future generations.

The looming funding cliff increases the risk of a public health crisis.

Supplemental federal funding for the SRFs in the Infrastructure Investment and Jobs Act (IIJA) ends in 2026. Continued diversions of federal funding from the SRFs to pay for congressional priority projects will severely limit access to affordable financing, especially for small and rural communities that have few alternatives.

Funding the Clean Water and Drinking Water SRFs at congressionally authorized levels, \$3.25 billion each for fiscal years 2025 and 2026, will provide much needed access to affordable financing for water infrastructure that protects human health and the environment.

Thank you for your continued support of the SRFs.

Sincerely,

Angela Knecht
CIFA President

About CIFA

CIFA is a national not-for-profit organization of the Clean Water and Drinking Water State Revolving Funds (SRFs), the nation's premier programs for funding water infrastructure that protects public health and the environment.

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