



2025 Annual Appropriations Clean Water and Drinking Water State Revolving Funds (SRFs)

About Appropriations

The Appropriations Subcommittees on Interior, Environment and Related Agencies in the U.S. House of Representatives and U.S. Senate have jurisdiction over annual appropriations for the Clean Water and Drinking Water State Revolving Funds (SRFs), which are funded through the U.S. Environmental Protection Agency (EPA).

2025 Appropriations

On Saturday, March 15, President Donald Trump signed the [Full-Year Continuing Appropriations and Extensions Act, 2025, \(H.R. 1968\)](#) to fund the federal government through fiscal year 2025 which ends on September 30, 2025. The U.S. House of Representatives adopted the measure by a vote of 217 to 213 on Tuesday, March 11, followed by the U.S. Senate which passed the funding bill by a vote 62 to 38 on Friday, March 14.

The bill maintains the same level of topline federal funding for the SRFs as 2024 annual appropriations and, for the first time since 2021, doesn't use the SRF capitalization grants to pay for congressional earmarks, which means 100% of annual federal funding for the SRFs will be allotted to the SRFs. The bill also maintains the same policies as the 2024 annual appropriations.

Annual Federal Funding

- Clean Water SRFs: \$1,638,861,000
- Drinking Water SRFs: \$1,126,101,000
- No congressional earmarks for 2025.

Congressional Mandates

- Additional Subsidy: Mandates the SRFs use a percentage of annual federal funding for additional subsidy in the form of principal forgiveness, grants or negative interest loans – 10% for the Clean Water SRFs and 14% for the Drinking Water SRFs.
- Green Projects: Mandates that 10% of annual federal funding for the Clean Water SRFs be used for eligible "green" projects as defined by EPA, also known as the Green Project Reserve (GPR).

History of Short-Term Continuing Resolutions for Fiscal Year 2025

On Thursday, September 26, President Joe Biden signed the [Continuing Appropriations and Extensions Act, 2025 \(H.R. 9747\)](#) to fund the federal government through Friday, December 20, 2024.

On Saturday, December 21, President Joe Biden signed the [American Relief Act, 2025 \(H.R. 10545\)](#) to continue funding the federal government through March 14, 2025.

History of 2025 Appropriations in U.S. House of Representatives

On Wednesday, July 24, 2024, the U.S. House of Representatives passed the appropriations bill for Interior, Environment and Related Agencies ([H.R. 8998](#)) and [Committee Report](#) for fiscal year 2025 by a vote of 210 – 205. The U.S. Senate didn't vote on the legislation.

The bill cut topline annual federal funding for the SRFs by 25% and diverted more than \$1 billion from the SRFs to pay for 895 congressional earmarks in 295 of 465 congressional districts. The bill maintained congressional mandates for additional subsidy but eliminated the mandate for green projects.

Annual Federal Funding

- Topline Funding:
 - Clean Water SRFs: \$1,203,013,000, a cut of \$432,848,000 from 2024
 - Drinking Water SRFs: \$883,515,000, a cut of 242,586,000 from 2024
- Congressional Earmarks Diverted from Topline Funding:
 - Clean Water Earmarks: \$553,936,004 for 490 projects
 - Drinking Water Earmarks: \$479,541,446 for 405 projects
- Earmark Administration: No funding to administer congressional earmarks.

2025 House Appropriations						
Estimated Allocation	Clean Water	%	Drinking Water	%	Total	%
Capitalization Grant	\$1,203,013,000		\$883,515,000		\$2,086,528,000	
- House Earmarks	(\$553,936,004)	46%	(\$479,541,446)	54%	(\$1,033,477,450)	50%
After Earmarks	\$649,076,996		\$403,973,554		\$1,053,050,550	
- Deductions ¹	(\$30,859,000)	3%	(\$28,203,000)	3%	(\$59,062,000)	3%
Available for SRFs	\$618,217,996	51%	\$375,770,554	43%	\$993,988,550	48%

Congressional Mandates

- Additional Subsidy: Mandated the SRFs use a percentage of annual federal funding for additional subsidy in the form of principal forgiveness, grants or negative interest loans – 10% for the Clean Water SRFs and 14% for the Drinking Water SRFs.
- Green Projects: Eliminated the long-standing congressional mandate that 10% of annual federal funding for the Clean Water SRFs be used for eligible “green” projects as defined by EPA, also known as the Green Project Reserve (GPR).
- Procurement: Waived federal procurement mandates for all congressional earmarks.

¹ Includes estimated allocations to Tribes, Territories, Washington, D.C., and state 604(b) grants, and estimated administrative set-aside for American Iron and Steel, \$1.5 million for the Clean Watershed Needs Survey and \$12 million to monitor unregulated contaminants in drinking water.

History of 2025 Appropriations in U.S. Senate

On Thursday, July 25, 2024, the U.S. Senate Appropriations Committee approved the appropriations bill for Interior, Environment and Related Agencies ([S. 4802](#)) and [Committee Report](#) for fiscal year 2025 by a vote of 28 – 1. The legislation was never brought to floor for a full vote of the Senate.

The bill maintained the same level of topline federal funding for the SRFs as 2024 annual appropriations and diverted nearly \$605 million from the SRFs to pay for 331 congressional earmarks. The bill maintained congressional mandates for additional subsidy and green projects.

Annual Federal Funding

- Topline Funding:
 - Clean Water SRFs: \$1,638,861,000, same as 2024
 - Drinking Water SRFs: \$1,126,101,000, same as 2024
- Congressional Earmarks Diverted from Topline Funding:
 - Clean Water Earmarks: \$362,500,000 for 176 projects
 - Drinking Water Earmarks: \$242,391,000 for 155 projects
- Earmark Administration: Allowed EPA to use \$19 million of the SRF capitalization grant, proportionately, to administer congressional earmarks, an estimated 3% of funding for congressional earmarks.

2025 Senate Appropriations						
Federal Funding	Clean Water	%	Drinking Water	%	Total	%
Capitalization Grant	\$1,638,861,000		\$1,126,101,000		\$2,764,962,000	
- Senate Earmarks	(\$362,500,000)	22%	(\$242,391,000)	22%	(\$604,891,000)	22%
After Earmarks	\$1,276,361,000		\$883,710,000		\$2,160,071,000	
- Deductions ²	(\$66,053,000)	4%	(\$54,652,000)	5%	(\$120,705,000)	4%
Available for the SRFs	\$1,210,308,000	74%	\$829,058,000	74%	\$2,039,366,000	74%

Congressional Mandates and Allowances

- Additional Subsidy: Mandated the SRFs use a percentage of annual federal funding for additional subsidy in the form of principal forgiveness, grants or negative interest loans – 10% for the Clean Water SRFs and 14% for the Drinking Water SRFs.
- Green Projects: Mandated that 10% of annual federal funding for the Clean Water SRFs be used for eligible “green” projects as defined by EPA, also known as the Green Project Reserve (GPR).
- Earmark Administration: Allowed EPA to provide funding to states to administer congressional earmarks with agreement from the states and recipients.

Congress Avoids Funding Cliff for Water Utilities in 2025

Had Congress maintained topline federal funding but continued to use the SRF capitalization grants to pay for congressional earmarks in fiscal year 2025, annual federal funding for the SRFs would have been cut by 59% from 2024.

- 56% of annual federal funding would have been diverted from the Clean Water SRFs to pay for congressional earmarks.
- 64% of annual federal funding would have been diverted from the Drinking Water SRFs to pay for congressional earmarks.

2025 Senate and House Appropriations Combined						
Federal Funding	Clean Water	%	Drinking Water	%	Total	%²
Capitalization Grant	\$1,638,861,000		\$1,126,101,000		\$2,764,962,000	
- House Earmarks	(\$553,936,004)		(\$479,541,446)		(\$1,033,477,450)	
- Senate Earmarks	(\$362,500,000)		(\$242,391,000)		(\$604,891,000)	
- Total Earmarks	(\$916,436,004)	56%	(\$721,932,446)	64%	(\$1,638,368,450)	59%
After Earmarks	\$722,424,996		\$404,168,554		\$1,126,593,550	
- Deductions ³	(\$45,988,000)	3%	(\$35,065,000)	3%	(\$81,053,000)	2%
Available for the SRFs	\$676,436,996	41%	\$369,103,554	33%	\$1,045,540,550	38%

² Rounded.

³ Deductions include estimated allocations to Tribes, Territories, Washington, D.C., and state 604(b) grants, and estimated administrative set-aside for American Iron and Steel, \$1.5 million for the Clean Watershed Needs Survey and \$12 million to monitor unregulated contaminants in drinking water.