



**March 4, 2024**

Last night, congressional leaders released the bill text of six FY24 spending measures, including the Interior, Environment, and Related Agencies Appropriations Act, 2024 (which funds the SRF’s and related earmarks) and the Energy and Water Development and Related Agencies Appropriations Act, 2024 (which funds the WIIN grant program). Passage of the six bills en bloc is expected this week. The deadline is March 8. Pending that, six other funding bills remain - somewhat controversial, with a March 22 enactment deadline. The following are the agreed upon funding levels.

**House/Senate/Coalition/Final FY24 Bills**

<b>Program</b>	<b>House</b>	<b>Senate</b>	<b>Coalition</b>	<b>Final Bill</b>
Clean Water SRF Base*	\$535M	\$1.294B	\$1.294B	\$851.3M
CWSRF Earmarks	\$470M	\$345M	\$345M	\$787.7M
SDWSRF Base**	\$460.6M	\$882M	\$882M	\$494.3M
SDWSRF Earmarks	\$410.3M	\$243.6M	\$243.6M	\$631.7M
WIIN Grants	\$20M	\$20M	\$20M	\$20M

\*Plus \$2.628B per the BIF

\*\*Plus \$3.000B per the BIF

WIFIA \$72.2M

**FY23 Enacted/FY24 President’s Request/Final Bill**

<b>Program</b>	<b>FY23 Enacted</b>	<b>FY24 Request</b>	<b>Final Bill</b>
Clean Water SRF Base	\$776M	\$1.639B	\$851.3M
CWSRF Earmarks	\$863.1M	None	\$787.7M
SDWSRF Base	\$517M	\$1.126B	\$494.3M
SDWSRF Earmarks	\$609.3M	None	\$631.7M
WIIN Grants	\$20M	\$4M	\$20M



## Analysis

For the Clean Water SRF, going into conference the House was at the FY22 level of \$1.005B (including related earmarks) and the Senate at the FY23 level of \$1.639B (also including related earmarks). The final FY24 bill adopted the Senate FY23 funding level. The Debt Limit Bill of last summer struck a deal that FY24 appropriation levels would be at the FY23 level. That did not mean that every program had to be at the FY23 level - some could be more, some less - as long as the grand total of all appropriations bills did not exceed the FY23 level. The House Republicans initially opposed this, opting to fund everything at the FY22 level. Ultimately, they caved - thus the final FY24 level is the FY23 level of \$1.639B, which the Coalition supported. Then came the earmarks! The Coalition's position, as with most of the water resources stakeholders, was support for the Senate earmark level as it was lower than the House's, opposition to the House level as it was higher than the Senate's, and opposition to "adding" the House and Senate earmarks together. In the end, that's basically what the conferees did - \$470M (House) plus \$345M (Senate) equals \$815M compared to the final number of \$787.7M. Thus, for FY24, 48% of CWSRF funding will go to earmarks.

For the Safe Drinking Water Water SRF, going into conference the House was at the FY22 level of \$870.6M (including related earmarks) and the Senate at the FY23 level of \$1.126B (also including related earmarks). Again, the final FY24 bill adopted the Senate FY23 funding level of \$1.126B, which the Coalition supported, per the Debt Limit Bill. Then the earmarks again. Again per above, the conferees "added" the House and Senate earmarks together - \$410.3M (House) plus \$243.6M (Senate) equals \$653.9M compared to the final number of \$631.7M. Thus, for FY24, 56% of SDWSRF funding will go to earmarks.

## Takeaways

- 1) For the past three fiscal years, SFR earmarks have been funded as a takedown from the base program - that does not bode well for the future;
- 2) For the past two fiscal years, earmark funding has basically been the result of combining the earmark funding levels in both the House/Senate bills - that also does not bode well for the future;
- 3) The earmark action by the Congress says a lot about what is important to Members - substantively and politically - and that is what their constituents want in the form of projects and not how much funding for capitalization grants go to their state; and,
- 4) Given the amounts being spent on earmarks versus the basic SRF programs, a strong argument can be made for project sponsors to apply for earmarks.