



POSITION PAPER ON FUNDING

Drinking Water State Revolving Fund

Recommendation

Provide \$1.186 billion in funding for the Drinking Water State Revolving Fund for Fiscal Year 2017.

Background

Established in 1996, the Drinking Water State Revolving Fund (DWSRF) is a state-federal partnership that provides low-interest loans to improve drinking water treatment, fix leaking or old pipes, improve the source of water supply, replace or construct finished water storage tanks, and other water infrastructure projects to protect public health including all forms of water reuse.

The U.S. Environmental Protection Agency distributes annual funding to the states who contribute an additional 20% of total funding. The states provide low-interest loans to public and privately-owned utilities and privately owned facilities. Loan repayments returned to the fund are then available to support new projects. States also have the option of leveraging federal dollars further by issuing bonds to provide additional resources to fund projects.

Funding History

Budget Year	Funding in Millions
2013	\$861
2014	\$907
2015	\$907
2016	\$863
Recommended 2017	\$1,186

During the next 20 years, the need for new or renewed water infrastructure is projected to exceed \$700 billion nationally.

Benefits

- Communities can leverage federal funding to finance needed water infrastructure. Through the 20% match and bond issuances, the state DWSRF programs have committed approximately \$1.75 to projects for every federal dollar received through capitalization grants.
- Low-interest loans create a recurring source of funding for critical infrastructure.

Safe, Reliable, Locally-Controlled Water Supplies

The Drinking Water State Revolving Fund has provided more than \$28 billion in funding to more than 10,000 communities.

— U.S. Environmental Protection Agency