



State Revolving Fund Provisions in the Bipartisan Infrastructure Law

Overview

- **State Revolving Funds (SRFs)** appropriations, provisions, roles and responsibilities.
- **EPA's Goals and Strategy** for the Bipartisan Infrastructure Law (BIL).
- **Timeline for Implementing the BIL** which includes engaging stakeholders, awarding funds to states, and providing assistance to communities.

The Bipartisan Infrastructure Law

Public Law No:
117-58

Amendments to
SDWA 1452 and
CWA Title VI

*(the SDWA DWSRF and CWA CWSRF
authorizing sections)*

Significant new
appropriations of
supplemental DWSRF
and CWSRF funds for
5 years

Also referred to as:



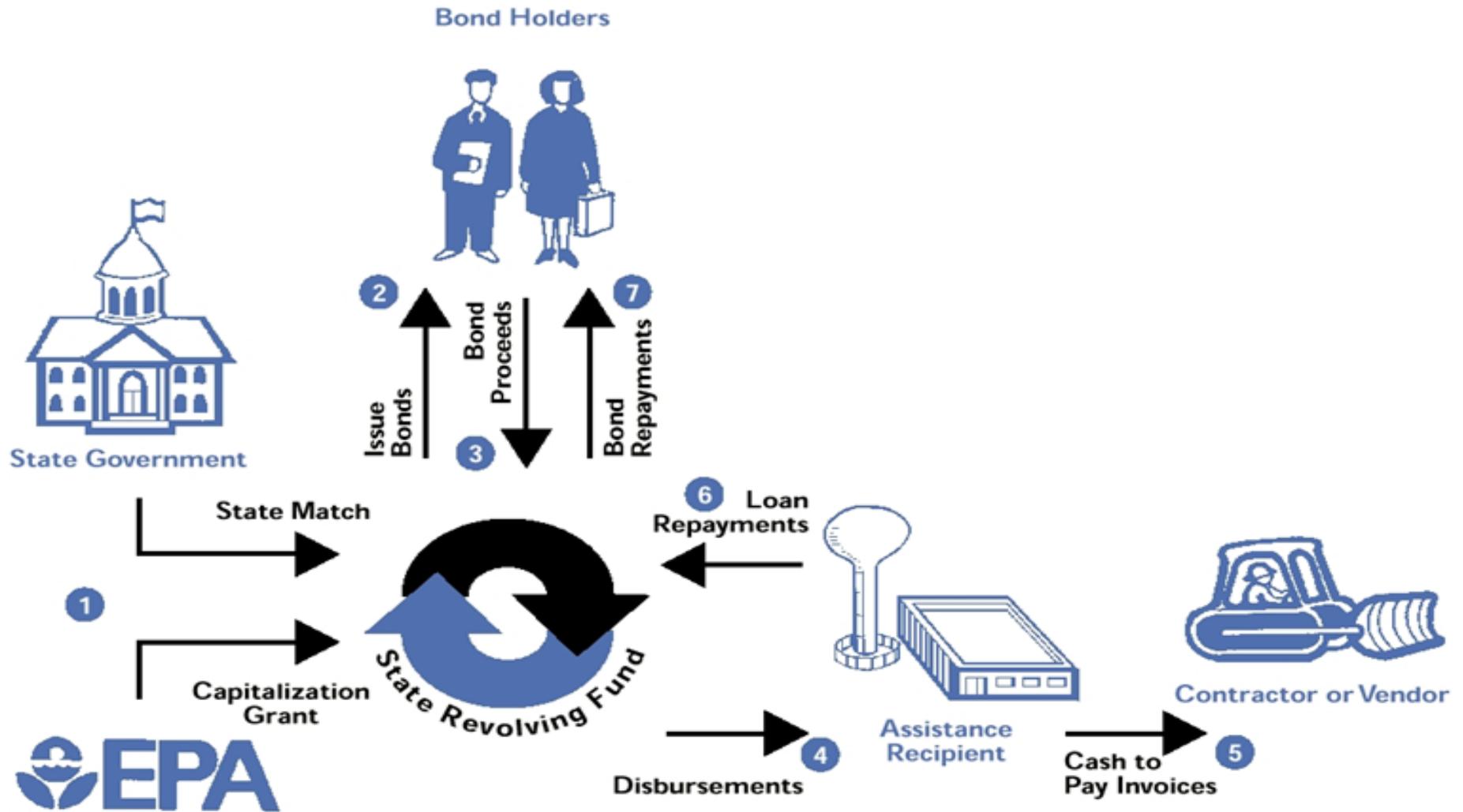
State Revolving Fund (SRF) Appropriations in the BIL

Appropriation	FY 2022 (\$)	FY 2023 (\$)	FY 2024 (\$)	FY 2025 (\$)	FY 2026 (\$)	Five Year Total (\$)
CWSRF General Supplemental	1,902,000,000	2,202,000,000	2,403,000,000	2,603,000,000	2,603,000,000	11,713,000,000
CWSRF Emerging Contaminants	100,000,000	225,000,000	225,000,000	225,000,000	225,000,000	1,000,000,000
DWSRF General Supplemental	1,902,000,000	2,202,000,000	2,403,000,000	2,603,000,000	2,603,000,000	11,713,000,000
DWSRF Emerging Contaminants	800,000,000	800,000,000	800,000,000	800,000,000	800,000,000	4,000,000,000
DWSRF Lead Service Line Replacement	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	15,000,000,000

The State Revolving Funds: An Overview

- **Federal/state partnerships** designed to create, in each state, a perpetual source of financing for drinking water and wastewater infrastructure.
- **Mission:** Reduce the cost of critical public health and environmental infrastructure.
- **Combines federal and state funds** to provide low-cost financing to drinking water and wastewater systems. State match is normally 20% match. **Reduced to 10% in BIL for first two years then reverts to 20% (waived for LSL and emerging contaminant funds).**
- **Flexible funding and financing:** Loans, grants, refinancing, loan guarantees, technical assistance.
 - BIL requires 49% of the capitalization grants be provided as 100% grants/fully forgivable loans.
 - BIL requires emerging contaminant funds be provided as 100% grants/fully forgivable loans.
- **State implemented and operated:** EPA provides grant terms and conditions, guidance, and program oversight.

SRF Flow of Funds



General SRF Application Process

States have developed processes for potential borrowers/projects to apply for SRF funding - please consult your state program to learn more.



SRF Roles and Responsibilities

EPA

- **Develops guidance** for implementing the SRFs
- **Provides training and technical support** to states
- Provides **standardized data collection**
- Award and manage **capitalization grants to states**
- Review **Intended Use Plans** and capitalization grant applications
- Conduct programmatic **oversight**

States

- Develop **Intended Use Plans and Project Priority Setting Systems** to submit in capitalization grant applications
- **Solicit projects and make funding decisions** based on state priorities
- Manage the day-to-day operations of the SRF programs
- Responsible for long-term planning and financial health of the state's SRF
- Provide EPA **Annual Reports** that document the SRF performance

Local

- **Develops water and wastewater projects**
- **Applies for funding** through the state SRF process
- Manages bid, contract, and construction phases of the project(s)
- Complies with **federal and state loan requirements** including American Iron and Steel and Davis-Bacon provisions

Build America, Buy America Act (BABAA)

- Included in the BIL.
- Expands domestic preference requirements for both SRF programs and WIFIA, as well as add domestic preference requirements to other infrastructure funding programs at EPA.
- Requires domestic iron/steel, manufactured products, and construction materials.



BIL Implementation Goals

- **Target resources to disadvantaged communities.** Prioritize funding to underserved communities. Leverage the 49% of SRF funds eligible to be grants/fully forgivable loans.
- **Make rapid progress on lead-free water for all.** Maximize the \$15 billion dedicated to lead service line removal, as well as other funding streams, towards President Biden's 100% goal.
- **Tackle forever chemicals.** Leverage the \$10 billion in the BIL to provide relief to communities on the frontlines of contamination by PFAS and other emerging contaminants.

BIL Implementation Goals

- **Advance climate resilience.** Encourage funds be used for climate mitigation, adaptation, coastal and drought resilience, ecosystem preservation and restoration, and more.
- **Encourage One Water innovation.** Elevate and leverage all eligibilities to encourage One Water practices such as non-point-source pollution reduction, nature-based solutions, integrated planning, and more.
- **Build a high road, inclusive water workforce.** Invest in strategies that bring under-represented communities into the water workforce, skill them for the water economy of the future, and promote family-supporting jobs and high-road labor practices.

Engagement and Implementing the BIL

- **Engaging and Listening to Stakeholders.** Hold series of **state engagement meetings** in December 2021 and January 2022 to discuss and **receive feedback on SRF implementation issues**. Meet with other stakeholders regarding achieving primary and secondary EPA goals for the BIL.
- **Developing Guidance.** Building on engagement activities, **provide an implementation memorandum** by the end of February 2022 for states to apply for BIL-funded SRF capitalization grants and **begin making assistance available to communities**.
- **Supporting States.** Assist states in developing strategies and programs to achieve mutual goals in providing assistance to communities, including **support for building pipelines of SRF applicants**.

