# Ask Me Anything: Declining Capitalization Grants

October 1, 2025



*This program is made possible under a cooperative agreement with US EPA.*

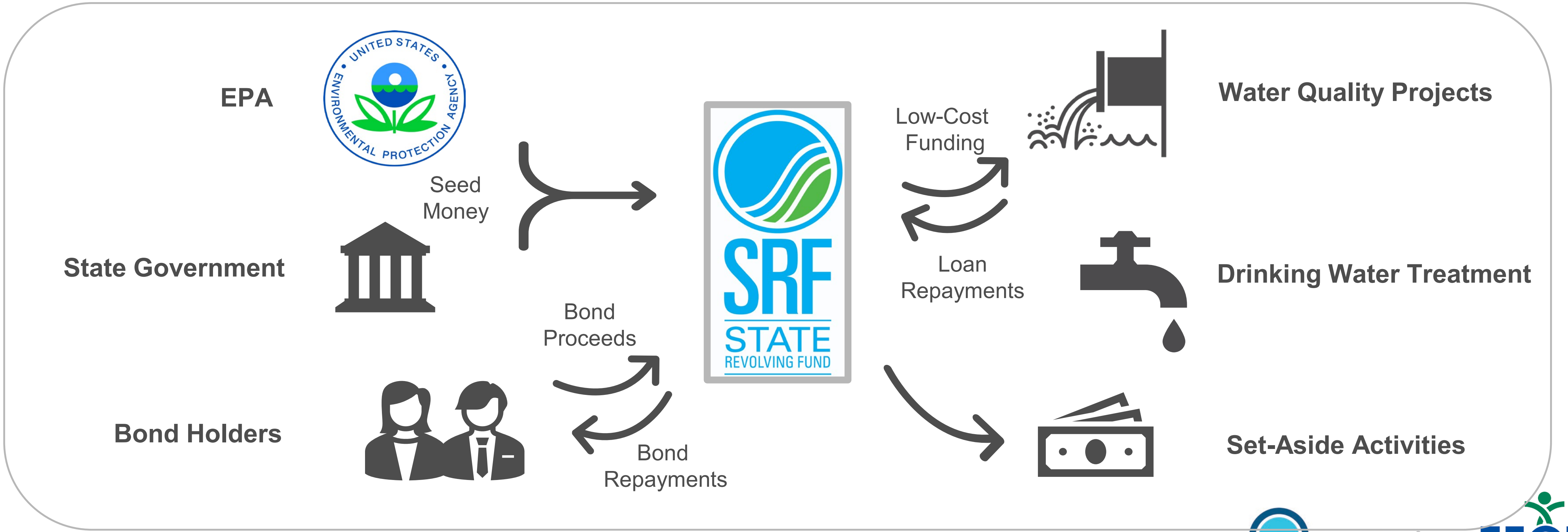
# About Us

The **Environmental Finance Center Network (EFCN)** is a university- and non-profit-based organization creating innovative solutions to the difficult how-to-pay issues of environmental protection and water infrastructure.

The EFCN works collectively and as individual centers to address these issues across the entire U.S, including the 5 territories and the Navajo Nation. The EFCN aims to assist public and private sectors through training, direct professional assistance, production of durable resources, and innovative policy ideas.

# What are the SRFs?

- Low interest revolving loan program with subsidies for targeted projects and communities
- Money comes from EPA/Federal Government, state match, loan repayments, interest, bond proceeds




SRF State Logo source: Iowa's State Revolving Fund

Every state is different.
It depends.

# DWSRF

# DWSRF Additional Subsidy

| SRF Funding Program | Additional Subsidy Percentage | Eligibility for Additional Subsidy |
|---|---|---|
| **DWSRF BIL General Supplemental** | 49% | Disadvantaged Communities |
| **DWSRF BIL Emerging Contaminants** | 100% | 25% for Disadvantaged Communities or Public Water Systems serving <25,000 people |
| **DWSRF BIL Lead Service Lines** | 49% | Disadvantaged Communities |
| **DWSRF 2022 Appropriation/Continuing Resolution** | 14% | Any assistance recipient; or >14% in event of emergency declaration to exposure to lead |
| **DWSRF Base Program** | 12%-35% | Disadvantaged Communities (can be stacked with appropriation additional subsidy) |

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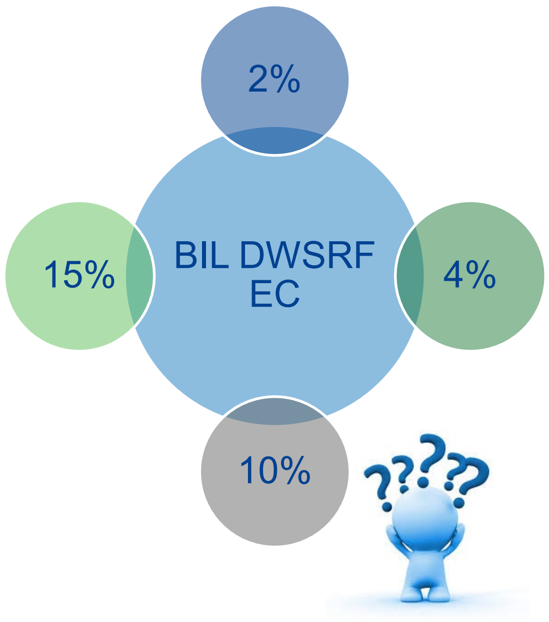
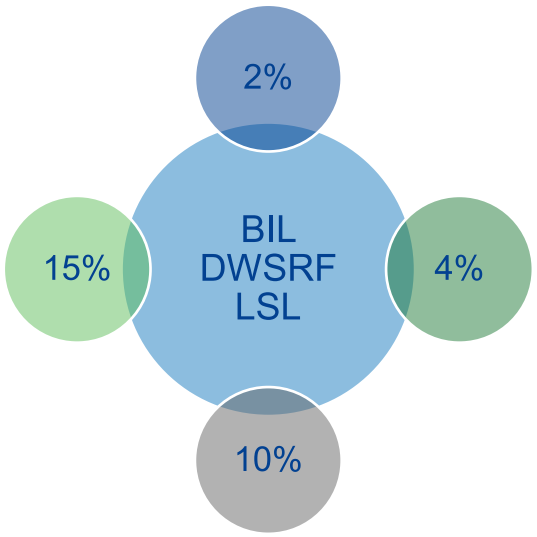
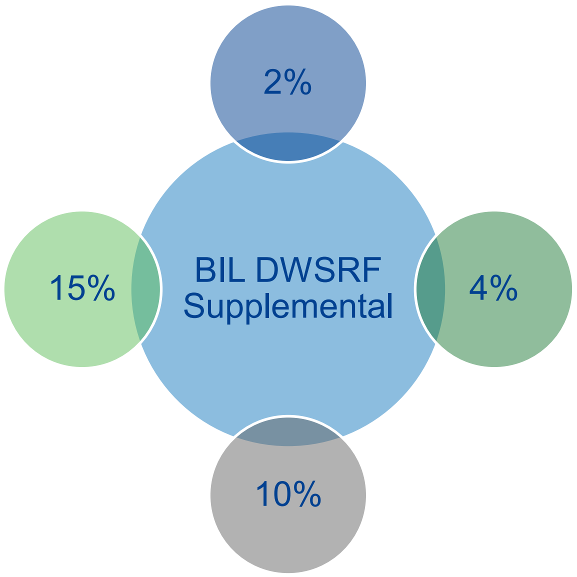
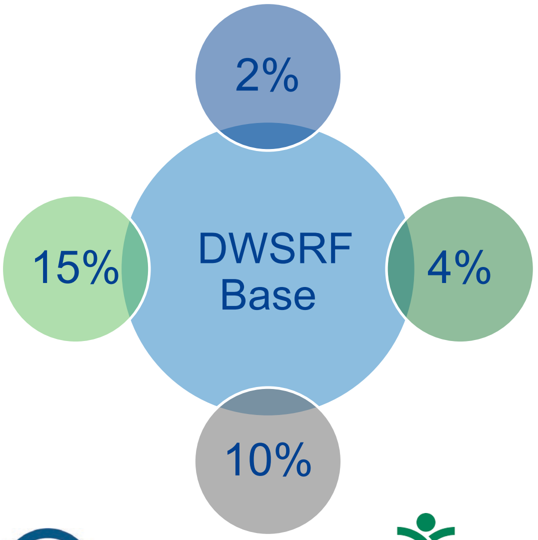
# DWSRF Base + BIL Set-Asides

- Administration- 4%/$400k/1/5th of the Fund's Net Position
  - Capacity Development
  - Wellhead/Source water protection
- Program Management- 10%
  - Capacity Development
  - Wellhead/Source water protection
- Technical Assistance- 2%
  - Capacity Development
  - Wellhead/Source water protection
- Local Assistance- 15%
  - Capacity Development
  - Wellhead/Source water protection



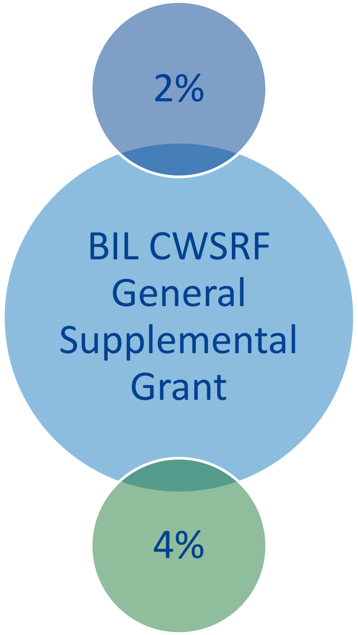
# CWSRF

# CWSRF Additional Subsidy

| SRF Funding Program | Additional Subsidy Percentage | Eligibility for Additional Subsidy |
|---|---|---|
| **CWSRF BIL General Supplemental** | 49% | • Assistance recipients that meet the state’s affordability criteria<br>• Benefit to individual ratepayers in residential user class<br>• Water/energy efficiency, stormwater mitigation or sustainable projects |
| **CWSRF BIL Emerging Contaminants** | 100% | • Any eligible project |
| **CWSRF 2022 Appropriation/Continuing Resolution** | 10% | • Any eligible borrower |
| **CWSRF Base Program (CWA)** | 10%-30%<br>(if the appropriation is over $1B) | • Assistance recipients that meet the state’s affordability criteria<br>• Benefit to individual ratepayers in residential user class<br>• Water/energy efficiency, stormwater mitigation or sustainable projects |

# CWSRF Base + BIL Set-Asides

- Technical Assistance- 2%
  - 2% funds do not need to come from the capitalization grant; can be pulled from any CWSRF source
  - Amount available is calculated as 2% of total capitalization grants awarded after November 15, 2021
- Administration- 4%/$400k/1/5th of the Fund's Net Position
  - Support administration of program
  - Provide TA to system of any size


# Earmarks.
# Congressionally Directed Spending.
# Community Project Funding

# Earmarks– JK

- Congressionally Directed Spending aka Earmarks
- SRF Specific Earmarks (2023)
  - $1.47B out of $2.76B in SRF appropriation
  - 715 projects
  - Leaves $1.29B to states
- Available 2022-2024
- Example Timeline:

## EARMARK CONSIDERATION TIMELINE

1. Counties submit requests to applicable U.S. Senator or House of Representative member. **Counties should contact their Members of Congress for the office's internal deadline for project submissions.** The deadlines for all **Representatives** to submit their project requests fall between **April 27 - April 29,** and the deadlines for all **Senators** to submit their project requests fall between **May 5 - May 27.** Please refer to the specific subcommittee deadlines below.
2. Senate/House Appropriations review the submitted requests
3. Senate/House Appropriations craft legislation in private and then publicly release funding bills with earmarks and other funding policy
4. Senate bill is conferenced with the House bill
5. Consolidated funding bill is signed into law with Senate and House earmarks
6. Earmark funding is distributed to organizations awarded earmarks

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# Impact of Earmarks on SRFs

- Supplemental funds are taken as a % of Cap Grants = less $ to states
- Earmarks reduced funding by:
  - 35% ($393M) to DW
  - 27% (425M) to CW

| Program | Capitalization grant | Earmarks | State allotment |
|---|---|---|---|
| Clean Water | $1,638,861,000 | $863,108,642 | $775,752,358 |
| Drinking Water | $1,126,101,000 | $609,255,899 | $516,845,101 |
| Total | $2,764,962,000 | $ 1,472,364,541 | $1,292,597,459 |

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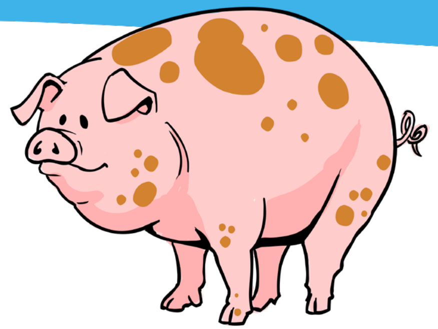
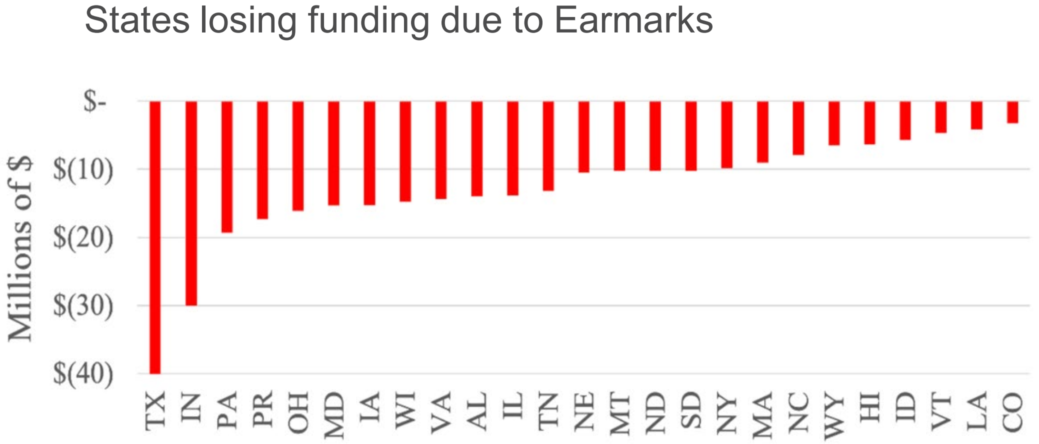
# Earmarks– What Could Go Wrong?

- Earmarks are provided as grants = less program sustainability
- Undermine equitable funding goals of SRFs
- Bypass public comment opportunity in IUP
- Administered by EPA = level of oversite and expertise?
- Projects may be politically favored rather than need focused
- Is it all bad?





# 2024 v 2025

# FFY24 v FFY25 Base Appropriations

| State | FFY24 | FFY25 |
|---|---|---|
| 1% | $4.661M | $10.9M |
| CA | $50.283M | $117.662M |
| WV | | |
| AZ | $8.153M | $19.079M |
| MI | $10.634M | $24.884M |

| State | FFY24 | FFY25 |
|---|---|---|
| Minimum | $4.008M | $7.788M |
| CA | $28.386M | $113.468M |
| WV | $12.726M | $24.732M |
| AZ | $5.514 | $10.716M |
| MI | $35.102M | $68.218M |

- 1% States: AK, CT, DE, HI, ID, ME, MT, NE, NH, NM, ND, PR, RI, SD, UT, VT, WV, WY, DC
- Minimum States: DE, ID, MT, NV, NM, ND, SD, VT, WY, DC
- FFY25 LSL Grant not yet released: FFY24 allocations were revised based on Needs Survey

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# What about when BIL ends?

Every state is different.
It depends.

# Upcoming Trainings

**What is an IUP, Mississippi?**
**October 9, 2025 / 12:00-2:30 pm EST**

This is **NOT** an Ask Me Anything session. To register, go to: https://efcnetwork.org/event/ms-online-training-what-is-an-iup-how-intended-use-plans-can-serve-as-secret-decoder-rings-for-the-state-revolving-loan-funds-srfs/

**What is Equivalency?**
**October 20, 2025 / 2:00-4:00 pm EST**

**What is an IUP?**
**November 5, 2025 / 11:00-1:00 pm EST**

**Summary of AMA Sessions to date**
**November 17, 2025 / 2:00-4:00 pm EST**

**For more information and to register visit:**
https://efcnetwork.org/event/virtual-office-hours-ask-me-anything-srf-technical-assistance-open-discussion/

# Quantified Ventures
https://www.quantifiedventures.com/our-team

## Ashley Lucht

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- Former DWSRF Project Manager for the State of Vermont
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