



Environmental Council of the States

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July 18, 2024

The Honorable Patty Murray
Chair
Senate Committee on Appropriations
Washington, DC 20515

The Honorable Susan Collins
Vice Chair
Senate Committee on Appropriations
Washington, DC 20515

The Honorable Tom Cole
Chair
House Committee on Appropriations
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
House Committee on Appropriations
Washington, DC 20515

The Honorable Jeff Merkley
Chair
Subcommittee on Interior, Environment,
and Related Agencies
Senate Committee on Appropriations
Washington, D.C. 20515

The Honorable Lisa Murkowski
Ranking Member
Subcommittee on Interior, Environment,
and Related Agencies
Senate Committee on Appropriations
Washington, D.C. 20515

The Honorable Mike Simpson
Chair
Subcommittee on Interior, Environment,
and Related Agencies
House Committee on Appropriations
Washington, D.C. 20515

The Honorable Chellie Pingree
Ranking Member
Subcommittee on Interior, Environment,
and Related Agencies
House Committee on Appropriations
Washington, D.C. 20515

Dear Chair Murray, Vice Chair Collins, Chair Cole, Ranking Member DeLauro, Chair Merkley, Ranking Member Murkowski, Chair Simpson, and Ranking Member Pingree,

On behalf of the Environmental Council of the States (ECOS), the national nonprofit, nonpartisan association of state and territorial environmental agency leaders, our members have continuing concerns about the redirection of Clean Water and Drinking Water State Revolving Funds (CW and DW SRFs) for Community Project Funding/Congressionally Directed Spending (CPF/CDS) projects. Specifically, as the Committees and the two chambers of Congress consider FY25 funding for Interior, Environment, and Related Agencies, ECOS urges congressional leaders to ensure the longevity of SRFs by fully funding programs at authorized levels, and **if** the CPF/CDS process continues in the future, provide a sustainable funding source for CPF/CDS that does not divert funding from the SRFs.

As you know, following the resumption of the CPF/CDS process in the 117th Congress, annual capitalization funding for SRFs decreased by more than \$3.7 billion in FY22, FY23, and FY24 combined as funds were diverted to CPF/CDS in the annual appropriations acts. ECOS, Governors, States, the Council of Infrastructure Financing Authorities, and state and local water associations

Elizabeth Biser
North Carolina Department of
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ECOS President

Jon Niermann
Texas Commission on
Environmental Quality
ECOS Vice President

James Kenney
New Mexico Environment
Department
ECOS Secretary-Treasurer

Myra Reece
South Carolina Department of
Environmental Services
ECOS Past President

Ben Grumbles
ECOS Executive Director

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have previously expressed concerns with the reduction in the annual capitalization of the SRFs due to the redirection of funds to the CPF/CDS process. The nation's CW and DW SRFs have for decades delivered outstanding results for America's cities and towns, providing low-interest loans that revolve in perpetuity for water infrastructure and limited grants to underserved communities. Given the environmental, economic, public health, and cybersecurity challenges faced by all of our states and their communities, it makes sense to invest more, not less, in such successful state programs. Significant federal investment through the Infrastructure Investment and Jobs Act (IIJA) has been very helpful but will not sustain SRF core programs or build state capacity for the future.

States and territories appreciate the Committees' investments in water infrastructure through annual appropriations. The SRFs have been critical to expanding access to clean and safe water, safeguarding public health, and growing the economy. To protect SRF solvency in coming years, we urge the Committees to invest in sustainable funding for the SRFs. If the CPF/CDS process continues, we urge Congress not to divert funding from the SRFs for this purpose.

Thank you,

A handwritten signature in black ink, appearing to read "Ben Grumbles". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Ben Grumbles
Executive Director

cc: Janet McCabe, U.S. EPA Deputy Administrator
Bill McBride, NGA Executive Director