



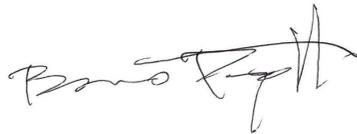
OFFICE OF WATER

WASHINGTON, D.C. 20460

April 3, 2024

MEMORANDUM

SUBJECT: Fiscal Year 2024 Allotments for the State Revolving Fund Provisions of the Bipartisan Infrastructure Law and Base Program Funding

FROM: Bruno Pigott, Acting Assistant Administrator 

TO: Water Division Directors, Regions I-X

On November 15, 2021, President Biden signed the *Infrastructure Investment and Jobs Act* (P.L. 117-58, 135 Stat. 429), also referred to as the *Bipartisan Infrastructure Law*. The BIL provides \$50 billion to the U.S. Environmental Protection Agency to strengthen the nation's drinking water, wastewater, and stormwater infrastructure – the single largest investment in water that the federal government has ever made. To date, the EPA has awarded over \$12 billion in BIL State Revolving Fund funding to states, territories, and Tribes. Working collaboratively through these investments, the EPA and state SRF programs are making progress towards President Biden's Justice40 commitment, which aims to ensure that federal agencies deliver at least 40 percent of the overall benefits from certain investments to disadvantaged communities. Thank you for your continued leadership and the extensive work of your staff as the EPA, states, territories, and Tribes have made great strides implementing the BIL.

This memorandum provides final allotment tables for the fiscal year 2024 BIL SRF General Supplemental and Emerging Contaminants Capitalization Grants, as well as from the funds appropriated under the *Consolidated Appropriations Act, 2024* (P.L. 118-42) for the Clean Water and Drinking Water SRFs. Terms and conditions will be available to regions on the EPA SRF SharePoint site.

Data analysis for the one-time update of the 7th Drinking Water Infrastructure Needs Survey and Assessment service line questionnaire is ongoing. Because those data will affect the state-by-state BIL Drinking Water SRF Lead Service Line Replacement allotments for 2024, the EPA will announce those allotments when they are finalized in the coming weeks. This memorandum does not include allotment tables for the BIL LSLR funds.

In March 2022, the EPA released the [BIL State Revolving Funds\) Implementation Memorandum](#) with information and guidelines on how the EPA will award and administer SRF Capitalization Grants appropriated in the BIL. As states look to fund more projects and apply for FY 2024 allotments, the EPA is committed to ensuring the key BIL implementation priorities are realized through development of the states' Capitalization Grant applications and Intended Use Plans. The EPA's oversight role of the

SRF programs along with a commitment to provide technical assistance to states and communities is critical to ensuring that states meet the BIL priorities.

An EPA priority is to encourage states to utilize the significant increase in SRF funding for infrastructure projects that make water systems more resilient to all threats – whether it is natural disasters, climate change impacts like drought, or cyber-attacks. The EPA strongly encourages state SRF programs to incorporate resiliency components and measures into projects and to use CWSRF technical assistance and DWSRF set-asides to help water and wastewater systems build resiliency-related technical, managerial, and financial capacity. For example, project-level recipients can use the EPA’s free cybersecurity evaluation and include steps to address any vulnerabilities in their project plans. States must also ensure the cybersecurity of their SRF program funds. As described in our July 2022 *Internal Controls for Financial Transactions in the SRFs* memorandum, and as required in capitalization grant terms and conditions, state SRF programs must use procedures consistent with “zero-trust” (never trust, always verify) for all financial transactions with SRF funds. This requirement applies to transactions made with any source of SRF funding (i.e., federal capitalization grants, state match, principal repayments, bond proceeds, etc.).

I. GENERAL UPDATES

Although the total appropriation of the base SRF funding did not change between FY 2023 and FY 2024, the amount of base funding available to the state SRF programs decreased due to Community Grants, also referred to as Congressionally Directed Spending, in FY 2024.

The EPA’s regions should ensure the state SRF managers are aware that, per the BIL statute, state match increases to 20 percent for the 2024 BIL General Supplemental. This is an increase from 10 percent match required in 2022 and 2023.

The EPA continues to develop and maintain resources to assist states and water systems with BIL implementation. Examples include:

- The BIL Resources for [Clean Water](#) and [Drinking Water](#) websites feature disadvantaged community resources for states, SRF fact sheets, water system capacity-building resources, water security and climate resiliency tools, and other helpful information.
- The agency’s [Build America, Buy America](#) website provides links to the BABA Implementation Procedures, webinar recordings, and waiver resources.
- The EPA’s [Frequent Questions about Bipartisan Infrastructure Law State Revolving Funds](#) website houses a list of BIL SRF-related questions and answers, which the EPA periodically updates.
- The EPA’s [Water Technical Assistance](#) services support communities to identify water challenges, develop plans, build capacity, and develop application materials to access water infrastructure funding. More information about [WaterTA services and programs](#) and past [WaterTA webinars and presentations](#) are found on the EPA’s websites.

On November 8, 2023, the EPA released the updated *SRF Equivalency Handbook*. Equivalency is a unique feature of the SRF programs wherein certain program requirements apply only to a subset of SRF assistance agreements and activities. These requirements must be met by SRF assistance agreements and activities whose dollar amount equals the amount of the federal SRF capitalization

grant(s) (with some exceptions), in addition to the requirements that apply to all SRF projects. This handbook helps state SRF managers implement both BIL and non-BIL funds and is available on the SRF SharePoint site.

II. EMERGING CONTAMINANTS

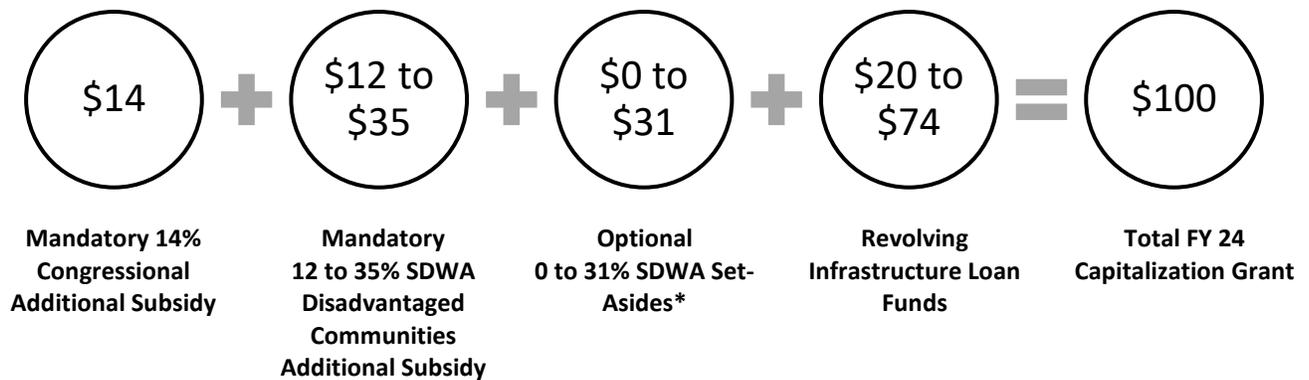
The EPA released [Combined Questions and Answers about Clean Water State Revolving Fund \(CWSRF\) Emerging Contaminants Supplemental Appropriation](#), which provides additional clarification on projects eligible for these funds. Additionally, several case studies highlighting CWSRF emerging contaminants projects are highlighted on the EPA [CWSRF Emerging Contaminants website](#).

For emerging contaminants in drinking water, the EPA published the [final Fifth Contaminant Candidate List](#) on November 14, 2022. There was no change between the draft and final CCL 5. Therefore, there are no changes in eligibilities for the DWSRF BIL Emerging Contaminant Funds.

III. ADDITIONAL SUBSIDY PROVISIONS

There are no changes in the additional subsidy authorities from FY 2023 to FY 2024. For the base program funding provided through the *Consolidated Appropriations Act, 2024*, there are still two different additional subsidy authorities for each SRF. The diagrams below visually represent the mandatory additional subsidy authorities under the Base and BIL General Supplemental capitalization grants. The BIL Emerging Contaminant funding is 100 percent additional subsidy, so a diagram is not provided below. The DWSRF diagrams also include the optional set-aside funding amounts that states can take to administer a variety of state drinking water programs, as well as to provide assistance to water systems. These funds do not revolve and therefore, states should be strategic in the amount of set-aside funding they take in conjunction with the additional subsidy.

Diagram 1: Example \$100 DWSRF FY 2024 Consolidated Appropriations Act Capitalization Grant



**31% is approximate, as states may take more than 4% for Administration purposes.*

Diagram 2: Example \$100 CWSRF FY 2024 Consolidated Appropriations Act Capitalization Grant

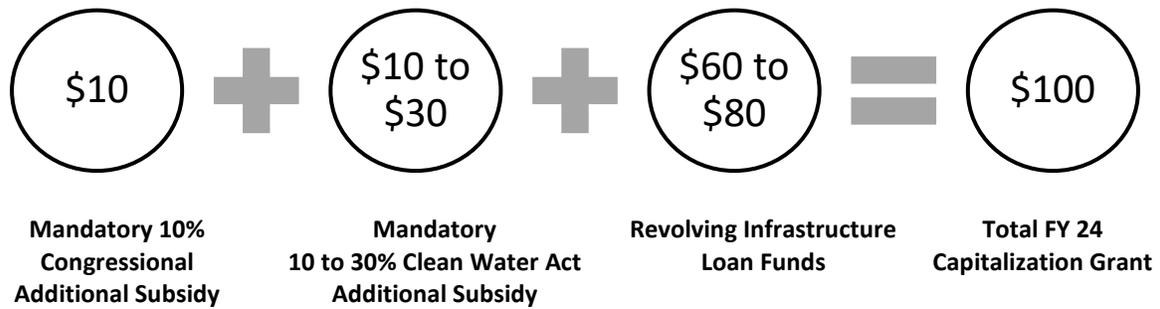


Diagram 3: Example \$100 DWSRF FY 2024 BIL General Capitalization Grant

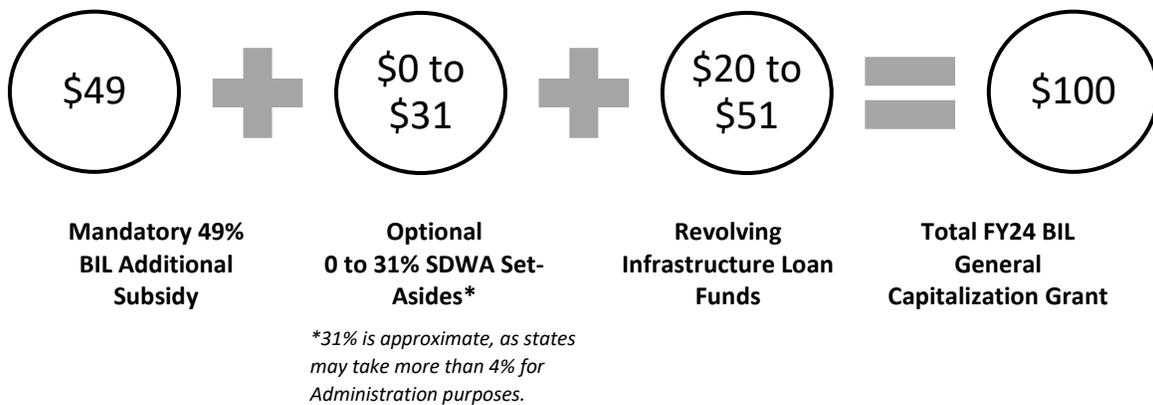
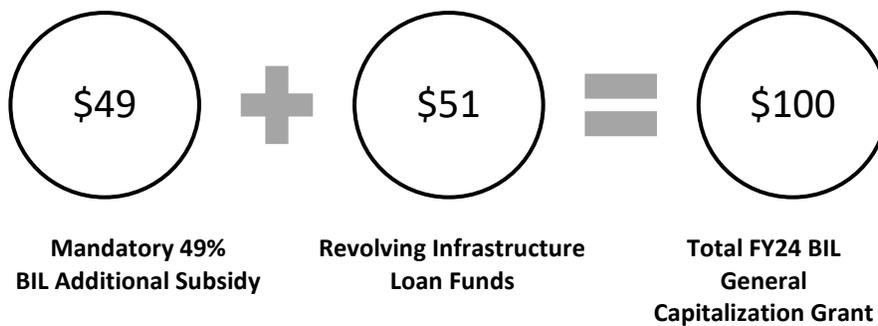


Diagram 4: Example \$100 CWSRF FY 2024 BIL General Capitalization Grant



If you have DWSRF-related questions, contact Damaris Christensen at Christensen.Damaris@epa.gov. If you have CWSRF-related questions, contact Michael Deane at Deane.Michael@epa.gov.

ATTACHMENTS (17)

Attachment A – FY 2024 DWSRF Allotment Summary
Attachment B – FY 2024 DWSRF Consolidated Appropriations Act (Base) Allotment
Attachment C – FY 2024 DWSRF Consolidated Appropriations Act (Base) Congressional Additional Subsidization Amounts
Attachment D – FY 2024 DWSRF Consolidated Appropriations Act (Base) SDWA Disadvantaged Subsidization Amounts
Attachment E – FY 2024 DWSRF BIL General Supplemental Allotment
Attachment F – FY 2024 DWSRF BIL General Supplemental Additional Subsidization Amounts
Attachment G – FY 2024 DWSRF BIL Emerging Contaminant Allotment
Attachment H – FY 2024 DWSRF BIL Emerging Contaminant Allotment Additional Subsidization Amounts
Attachment I – FY 2024 CWSRF Allotment Summary
Attachment J – FY 2024 CWSRF Consolidated Appropriations Act (Base) Allotment
Attachment K – FY 2024 CWA 604(b) Grants – BIL and Base
Attachment L – FY 2024 CWSRF Consolidated Appropriations Act (Base) Congressional Additional Subsidization and Green Project Reserve Amounts
Attachment M – FY 2024 CWSRF Consolidated Appropriations Act (Base) CWA Statutory Subsidization Amounts
Attachment N – FY 2024 CWSRF BIL General Supplemental Allotment
Attachment O – FY 2024 CWSRF BIL General Supplemental Additional Subsidization and Green Project Reserve Amounts
Attachment P – FY 2024 CWSRF BIL Emerging Contaminant Allotment
Attachment Q – FY 2024 CWSRF BIL Emerging Contaminant Allotment Additional Subsidization and Green Project Reserve Amounts

cc: SRF Regional Branch Chiefs, Regions 1-10

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