



**United States
Environmental Protection Agency
Fiscal Year 2026**

**Justification of Appropriation
Estimates for the
Committee on Appropriations**

**Tab 10: Water Infrastructure Finance and Innovation
Fund**

EPA-190R25002

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Environmental Protection Agency
FY 2026 Annual Performance Plan and Congressional Justification

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**Environmental Protection Agency
FY 2026 Annual Performance Plan and Congressional Justification**

**APPROPRIATION: Water Infrastructure Finance and Innovation Fund
Resource Summary Table**

(Dollars in Thousands)

	FY 2024 Final Actuals	FY 2025 Enacted Operating Plan	FY 2026 President's Budget	FY 2026 President's Budget v. FY 2025 Enacted Operating Plan
Water Infrastructure Finance and Innovation Fund				
Budget Authority	\$577,490	\$72,274	\$8,000	-\$64,274
Total Workyears	38.7	35.2	38.4	3.2

The Agency notes that FY 2025 levels are estimates and subject to refinement based on Administration priorities.

Bill Language: Water Infrastructure Finance and Innovation Program Account

For the purposes of carrying out the Congressional Budget Act of 1974, the Director of the Congressional Budget Office may request, and the Administrator shall promptly provide, documentation and information relating to a project identified in a Letter of Interest submitted to the Administrator pursuant to a Notice of Funding Availability for applications for credit assistance under the Water Infrastructure Finance and Innovation Act Program, including with respect to a project that was initiated or completed before the date of enactment of this Act.

In addition, fees authorized to be collected pursuant to sections 5029 and 5030 of the Water Infrastructure Finance and Innovation Act of 2014 shall be deposited in this account, to remain available until expended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, notwithstanding section 5033 of the Water Infrastructure Finance and Innovation Act of 2014, \$8,000,000, to remain available until September 30, 2027.

Program Projects in WIFIA

(Dollars in Thousands)

Program Project	FY 2024 Final Actuals	FY 2025 Enacted Operating Plan	FY 2026 President's Budget	FY 2026 President's Budget v. FY 2025 Enacted Operating Plan
Ensure Clean Water				
Water Infrastructure Finance and Innovation	\$22,399	\$72,274	\$8,000	-\$64,274
Not Specified				
Not Specified	\$555,091	\$0	\$0	\$0
TOTAL WIFIA	\$577,490	\$72,274	\$8,000	-\$64,274

The Agency notes that FY 2025 levels are estimates and subject to refinement based on Administration priorities.

Water Quality Protection

Water Infrastructure Finance and Innovation

Program Area: Ensure Clean Water

(Dollars in Thousands)

	FY 2024 Final Actuals	FY 2025 Enacted Operating Plan	FY 2026 President's Budget	FY 2026 President's Budget v. FY 2025 Enacted Operating Plan
<i>Water Infrastructure Finance and Innovation Fund</i>	\$22,399	\$72,274	\$8,000	-\$64,274
Total Budget Authority	\$22,399	\$72,274	\$8,000	-\$64,274
Total Workyears	38.7	35.2	38.4	3.2

The Agency notes that FY 2025 levels are estimates and subject to refinement based on Administration priorities.

Program Project Description:

The Water Infrastructure Finance and Innovation program is proposed for reduction in order to increase the effectiveness of Agency operations and reduce duplicative, voluntary, and unnecessary work. This change focuses resources on EPA's core mission and advances the support to *Pillar 1: Clean Air, Land, and Water for Every American* of EPA's *Powering the Great American Comeback* initiative.

The WIFIA Program provides and services direct loans to cover up to 49 percent of eligible costs for water infrastructure projects of regional or national significance and up to 80 percent of eligible costs for small community borrowers. WIFIA provides financing for the modernization and construction of water, wastewater, and stormwater systems to address aging infrastructure, meet regulatory requirements, and support economic growth.

FY 2026 Activities and Performance Plan:

Work in this Program directly supports *Pillar 1: Clean Air, Land, and Water for Every American* of EPA's *Powering the Great American Comeback* initiative.

The FY 2026 request builds on the Program's success accelerating water infrastructure investment and enables the Program to continue to offer support for communities around the country, utilizing the Program's substantial existing balances from prior years' appropriations. The requested \$8 million is for the WIFIA Program's administrative expenses, primarily for staff salaries, to enable the Program to continue functioning at current capacity without requiring new appropriations for additional subsidy budget authority. The Program requires a staff of technical experts to handle all aspects of program including credit evaluation, engineering review, legal contract structuring, and direct oversight of projects. The WIFIA Program's administrative expenses enable a high-quality selection process and the underwriting and technical reviews that are required to allow the WIFIA Program to properly mitigate risk and close approximately 25 loans per year. Furthermore, administrative expenses allow for needed post-loan closing portfolio monitoring and management that is critical to oversee the Program's burgeoning portfolio of projects and ensure that WIFIA funds are repaid to the American taxpayer, with interest. The Agency's request for a sufficient administrative appropriation ensures the WIFIA Program's ability to monitor its rapidly growing

portfolio and make new loans to stimulate additional water infrastructure investment around the country, help communities maintain aging assets, and keep costs low for ratepayers.

The FY 2026 budget request continues to include authority to use fee revenue as outlined in the Water Resources Reform and Development Act, Sections 5029(a), 5030(b), and 5030(c). Fee revenue will be used to cover a portion of the costs of making secured loans, providing credit assistance, and servicing WIFIA credit instruments. The fee expenditure authority for the Program is in addition to the \$8.0 million requested for administrative expenses.

Performance Measure Targets:

A list of FY 2026 performance measures and targets is located in the FY 2026 Performance Measures tab.

FY 2026 Change from FY 2025 Enacted Budget (Dollars in Thousands):

- (-\$882.0) This change to fixed and other costs is a decrease due to the estimated calculation of base workforce costs for existing FTE, adjustments to provide essential workforce support, and estimated changes to benefits costs.
- (-\$64,274.0) This program decrease eliminates loan financing support. The Program will focus on obligating the remaining balance of no-year funding. This program is proposed for reduction to deconstruct wasteful spending, reduce unnecessary burden on EPA partners and the regulated community in order to unleash American energy and economic growth, and refocus EPA on its mission. These adjustments are necessary to enable EPA to fulfill its responsibilities in the most cost-effective and efficient manner.
- (+\$882.0 / +3.2 FTE) This program increase provides support to administer the WIFIA Program and obligate the remaining balance of no-year funding.

Statutory Authority:

Water Infrastructure Finance and Innovation Act of 2014.