



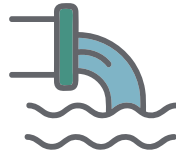
NUCA

We Dig America

State Revolving Fund (SRF) Reauthorization and Funding

WATER / WASTEWATER INFRASTRUCTURE REQUIREMENTS UNTIL 2040

\$630 billion will be needed to maintain and replace wastewater and stormwater treatment systems.



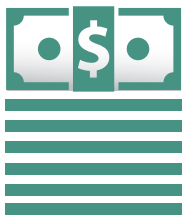
Source: EPA Drinking Water Needs Survey and Assessment, 2023



\$625 billion will be needed to improve America's drinking water infrastructure.

Source: EPA Clean Watersheds Needs Survey, 2022

SRF LOANS TO STATES ARE AT RISK AFTER 2026



51,000 CWSRF loans and **18,400** DWSRF loans have been made to states since programs began in 1987 and 1997 respectively.

Source: EPA

THE WATER INFRASTRUCTURE FUNDING CLIFF: REAUTHORIZE SRFS NOW

IIJA provided **\$50 billion** through FY2026 to EPA's water SRF programs. Without a FY2027 reauthorization, funding faces dramatic cuts.



Source: EPA

Issue background:

The impending expiration of the Infrastructure Investment and Jobs Act (IIJA) on September 30, 2026, heightens the urgency to reauthorize the EPA's **Clean Water State Revolving Fund (CWSRF)** and **Drinking Water State Revolving Fund (DWSRF)**.

These programs deliver low-interest loans—often with principal forgiveness—to states and communities for wastewater treatment, stormwater management, drinking water upgrades, lead service line replacements, and removal of emerging contaminants like PFAS.

The IIJA provided historic funding: roughly \$50 billion total for water infrastructure through 2026, including \$11.7 billion each for CWSRF and DWSRF base programs, plus targeted allocations for lead and contaminants. Yet, as IIJA funds phase out post-FY2026, federal support faces potential sharp declines—evident in proposed FY2026 cuts that could reduce base SRF allocations dramatically.

America's water infrastructure confronts a vast funding gap. Recent estimates highlight needs exceeding \$600 billion for clean water upgrades over 20 years, with annual shortfalls of \$88–95 billion or more for drinking water, wastewater, and stormwater combined.

Advocates urge reauthorization of the CWSRF and DWSRF at or above IIJA levels to avert project delays, escalating costs, public health risks, and economic harm.

What is NUCA's position?

The National Utility Contractors Association (NUCA) strongly urges Congress to reauthorize the EPA's Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) at or above levels established in the 2021 Infrastructure Investment and Jobs Act (IIJA). NUCA has long emphasized that well-functioning water and wastewater infrastructure is essential for public health, economic strength, and job creation.

Aging systems pose significant challenges: the U.S. has 1.6 million miles of underground pipe infrastructure, much requiring replacement over the next 20 years. EPA's 7th Drinking Water Infrastructure Needs Survey and Assessment (DWINSA, 2023) estimates a \$625 billion 20-year national need for drinking water upgrades—a 32% increase from the prior assessment (\$472.6 billion).

Broader water and wastewater infrastructure construction requirements exceed \$1.2 trillion by 2040, including repairs, replacements, and compliance with environmental standards. Communities struggle with rising costs, particularly disadvantaged areas facing affordability barriers.

The IIJA authorized approximately \$50 billion total for water infrastructure through FY2026, including \$23 billion split between CWSRF and DWSRF (roughly \$3 billion annually per fund in later years, plus targeted funds for lead service lines and contaminants like PFAS). This marked a historic boost, about \$1 billion more per year per fund than prior appropriations.

However, post-IIJA funding cliffs loom as authorizations expire September 30, 2026 at the end of FY2026. Appropriations have fallen short (e.g., only 59.6% of authorized levels in some years), and FY2026 cuts threaten further reductions, undermining IIJA's intent and delaying vital improvements.

With FY2027 being the first year without IIJA's extra appropriations, Congress must provide at least the full authorized amounts for the SRF programs in FY2027 appropriations legislation. Additionally, any funds for earmarked water projects must be provided in addition to SRF funding. Subtracting them from SRF amounts undermines the long-term sustainability of the revolving funds.

Investments yield broad benefits: every \$1 billion in water/wastewater infrastructure generates an estimated 28,000 jobs, with over half in non-construction sectors, boosting the

economy. NUCA also supports complementary measures like expanding private activity bonds (PABs) for additional capital and reforming Buy America waivers for efficiency.

Reauthorizing CWSRF and DWSRF at elevated levels is critical to address infrastructure gaps, protect public health, enhance climate resilience, support workforce development, and deliver reliable services nationwide. NUCA calls on lawmakers to act decisively in the surface transportation reauthorization to secure America's water future beyond the IIJA era.

What can Congress do to help?

NUCA looks forward to working with Congress over the coming years to further our nation's commitment to clean water and economic growth.

NUCA strongly supported the **Infrastructure Investment and Jobs Act of 2021 (IIJA)(H.R. 3684, 117th Congress)**.

Reauthorize the Clean Water SRF and Drinking Water SRF. Congress must reauthorize in the 119th Congress both EPA SRFs at or above the full amount of funding provided for these programs under the IIJA.

Fully Fund the Clean Water SRF and Drinking Water SRF. Congress must fully fund both SRFs programs in the FY 2027 EPA appropriations at the full reauthorized levels of \$6.5 billion.

Earmark Funding Should Be An Addition To SRF Funding. Congress must ensure that any earmarks are not at the expense of base SRF investment levels. Earmark funding should be in addition to—not subtracting from—the base SRF funding levels.

National Utility Contractors Association

3925 Chain Bridge Road, Suite 300, Fairfax, Virginia 22030-3938
www.nuca.com | 703-358-9300

Government Affairs Office:

Zachary P. Perconti, *Chief Advocacy Officer*
zackp@nuca.com | 703-677-6049