



Clean Water State Revolving Fund

Legislative Priority Fact Sheet
February 2008



Background on the Issue

The wastewater utilities of the United States are facing severe challenges. Wastewater discharges to the Great Lakes date back to the earliest human settlements on the lakes' shores and tributaries. As populations expanded, wastewater treatment plants were constructed that accelerated the natural decomposition of wastewater. Unfortunately, many early sewer systems were too small to carry both wastewater and stormwater flows. When these flows exceeded a system's capacity, excess sewage was allowed to escape into rivers rather than back up into homes. These overflows, known as combined sewer overflows (CSOs), are estimated to discharge 850 billion gallons per year, with most CSOs located in the Great Lakes and Northeast regions. With increased urbanization, our wastewater infrastructure has faced increasingly severe problems: wastewater treatment plants are often undersized; underground infrastructure has aged beyond its useful life leading to more frequent structural failures; and the capacity of sewer systems and treatment plants often is insufficient to handle both wastewater and stormwater flows, resulting in billions of gallons of untreated sewage being discharged to the Great Lakes annually. These sewage discharges contain not only suspended solids and oxygen-consuming materials, but also pathogens (such as E. coli bacteria) and toxic chemicals.



Wastewater treatment plant. Photo: Greater Chicago Reclamation District.

The *Clean Watersheds Needs Survey 2004 Report to Congress*, released in 2008 by the U.S. Environmental Protection Agency (USEPA), estimates the nationwide capital investment need for wastewater pollution control at \$205.5 billion. While the failure of water and wastewater utilities in the United States is due to a combination of factors, including population growth, more protective water quality standards and aging infrastructure, the impact of decreasing federal funding cannot be over emphasized. Federal support accounted for 78 percent of overall wastewater infrastructure spending in 1978, but makes up just 3 percent today.

The Clean Water State Revolving Fund (CWSRF) program provides annual funding to states for wastewater treatment, nonpoint source pollution control, and watershed and estuary management. Through the CWSRF program, each state maintains revolving loan funds to provide independent and permanent sources of low-cost financing for water quality protection projects. Despite the significant contributions this program has made to improving water quality in our country, federal funding for CWSRF has steadily declined. This year, funding for the program was cut by more than one-third, down from \$1.08 billion in FY2007 to \$689 million in FY2008. For Great Lakes states, this will mean a loss of approximately \$140 million. The Great Lakes Regional Collaboration identified the CWSRF as a critical piece of its Great Lakes Restoration Strategy, recommending that annual funding be restored to a minimum of \$1.35 billion, the level appropriated in FY2004.

Congressional Priorities for the Clean Water State Revolving Fund

Restore funding for the Clean Water State Revolving Fund, a program that is essential to updating sewerage systems and improving coastal health in the Great Lakes, **by appropriating \$1.35 billion nationwide, with \$490 million allocated to the Great Lakes states.** These funds, when combined with state financing, provide long-term, low-interest loans to cities and

sanitary districts to fund projects to improve water quality. Because the need across the Great Lakes basin is so significant, Congress should increase the program's authorized funding level.

Funding History and Committee Jurisdiction

	Fiscal Year Funding (in millions of dollars)					
	2004	2005	2006	2007	2008	2009 Budget Request
National Total	\$1,342.0	\$1,091.2	\$886.8	\$1,083.8	\$689.0	\$555.0
Illinois	\$60.5	\$49.2	\$40.0	\$48.9	\$31.0	\$25.0
Indiana	\$32.2	\$26.2	\$21.3	\$26.1	\$16.6	\$13.3
Michigan	\$57.6	\$46.8	\$38.0	\$46.5	\$29.6	\$23.8
Minnesota	\$24.6	\$20.0	\$16.3	\$19.9	\$12.6	\$10.2
New York	\$147.8	\$120.1	\$97.6	\$119.3	\$75.9	\$61.1
Ohio	\$75.4	\$61.3	\$49.8	\$60.9	\$38.7	\$31.2
Pennsylvania	\$53.0	\$43.1	\$35.0	\$42.8	\$27.2	\$21.9
Wisconsin	\$36.2	\$29.4	\$23.9	\$29.2	\$18.6	\$14.9
Great Lakes Total	\$487.3	\$396.2	\$322.0	\$393.6	\$250.2	\$210.5

Source: U.S. EPA, <http://www.epa.gov/owm/cwfinance/cwsrf/cwsrfallots.pdf>

Committee Jurisdiction

House Appropriations Subcommittee on Interior, Environment, and Related Agencies
 Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies

Progress to Date

Since the passage of the Clean Water Act, great progress has been made toward restoring the nation's waters. States, local governments, nonprofit organizations and others will continue to find financial assistance through flexible federal programs that are designed to address current and future water pollution control challenges. The CWSRF program provided a new national approach to funding water pollution abatement projects. Today, the CWSRF is recognized as the most successful federal water quality funding program in the nation's history. The USEPA reports that every federal dollar spent in the program has resulted in \$0.73 in additional clean water expenditures from state contributions and fund earnings. Congress can act for the benefit of the region and the nation by restoring funding to the CWSRF to the FY2004 level, as recommended in the Great Lakes Regional Collaboration Strategy.

Benefits to the Great Lakes Region

The CWSRF program allows states the flexibility to fund projects that will address high priority water quality needs. While traditionally used to build or improve wastewater treatment plants, loans are also used increasingly for agricultural, rural, and urban runoff control; estuary improvement projects; wet weather flow control, including stormwater and sewer overflows; alternative treatment technologies; and water reuse and conservation projects. The CWSRF program's primary mission is to promote water quality. In addition to financial savings from low to no-interest loans, loan recipients can realize significant environmental benefits, including protection of public health and conservation of local watersheds. In the Great Lakes region, reducing sewage discharges will help prevent public health risks from bacterial contamination of beaches and drinking water.

Links for More Information

USEPA Clean Water State Revolving Fund: www.epa.gov/owm/cwfinance/cwsrf