

S. 1689, a bill to permit States to transfer certain funds from the clean water revolving fund of a State to the drinking water revolving fund of the State in certain circumstances, and for other purposes

As reported by the Senate Committee on Environment and Public Works on June 19, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	n.e.
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
n.e. = not estimated; * = between zero and \$500,000.			

Under current law, the Environmental Protection Agency (EPA) provides capitalization grants under the Clean Water State Revolving Loan Fund (CWSRF) and Drinking Water State Revolving Loan Fund (DWSRF) programs to the CWSRFs and DWSRFs operated by states. Those grant funds, along with states own funds, are used to provide loans and other assistance to water infrastructure projects. States are currently authorized to transfer up to 33 percent of the capitalization grants they are awarded from one fund to the other. S. 1689 would authorize states, in consultation with EPA, to transfer up to 5 percent more of the federal grant funds in their CWSRF to their DWSRF for projects to address public health threats related to lead exposure in drinking water. That authority would expire one year after enactment.

Using information from EPA, CBO estimates that implementing S. 1689 would require the agency to update program guidance and would cost less than \$500,000 over the 2019-2024 period. Implementing the bill also would have a negligible net effect on EPA's spending on capitalization grants as any decreases in spending on CWSRF grants would have a corresponding increase in spending on DWSRF grants. Any spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Stephen Rabent. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.