

Director's Office February 2022

The Infrastructure Investment and Jobs Act Funding for Drinking Water and Wastewater Projects

Background

The federal Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15th, 2021. Also known as the Bipartisan Infrastructure Law (BIL), the IIJA will invest a total of \$1.2 trillion nationally for a wide variety of infrastructure projects, including improving drinking water and wastewater infrastructure.

State Revolving Fund (SRF) Program Funding

U.S. EPA is administering approximately \$43.4 billion in BIL funds nationally over the next five years for drinking water and wastewater infrastructure.

Because of their proven track record and long history in administering funding for infrastructure projects, the existing Clean Water and Drinking Water State Revolving Fund (SRF) programs in each state have been designated by Congress as the delivery mechanism for these infrastructure funds. Some of the funding provided will supplement the states' core SRF programs to support additional drinking water and wastewater infrastructure projects. In addition, funding is being provided to assist communities in addressing lead service lines and emerging contaminants.

Since the establishment of Ohio's SRF programs over 30 years ago, more than \$13 billion in infrastructure financing has been provided to support the development of drinking water and wastewater infrastructure in communities throughout Ohio.

Assuming that historic SRF program allocation formulas will be applied by U.S. EPA in determining IIJA funding awards, the table below includes a summary of estimated annual funding that may be awarded to Ohio EPA's SRF programs in each of these focus areas over the next five years. These figures are estimates, and funding has not yet been awarded to Ohio or other states. Each state SRF program must apply for its allocation for each grant annually. The grant nomination process has not yet been opened to states by U.S. EPA

Estimated Annual Funding for Ohio's State Revolving Fund (SRF) Programs from the Federal IIJA

Year	Supplemental Funding for core wastewater/ sewer SRF Program	Supplemental Funding for core drinking water SRF Program	Funding to address Emerging Contaminants in wastewater	Funding to Address Emerging Contaminants in drinking water	Funding to Reduce Risks from Lead Exposure in Drinking Water Estimated	Totals
2022	\$102 M	\$45 M	\$5 M	\$18 M	\$71 M	\$241 M
2023	\$118 M	\$52 M	\$11 M	\$18 M	\$71 M	\$270 M
2024	\$128 M	\$57 M	\$11 M	\$18 M	\$71 M	\$285 M
2025	\$138 M	\$62 M	\$11 M	\$18 M	\$71 M	\$300 M
2026	\$138 M	\$62 M	\$11 M	\$18 M	\$71 M	\$300 M
Total	\$624 M	\$278 M	\$49 M	\$90 M	\$355 M	\$1.396 B

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Funding outlined in the above table must be administered through existing SRF state programs. In some categories, a proportion of the funding received by the states must be awarded as loan funding. Approximately half of the funds will be available as loan funds and half as principal forgiveness (grant-like) funds. The IIJA dictates the amounts that can be awarded as principal forgiveness.

State SRF programs will apply annually to receive funding for each of the five categories from 2022-2026. As part of the application process, states will be required to submit a plan (called an Intended Use Plan), and other information as part of the grant application.

Additional Information and Next Steps

U.S. EPA is currently conducting stakeholder meetings with states and developing more detailed guidance for states, including instructions to apply for funding. It is anticipated that this guidance may be available to states in early-2022. Ohio EPA intends to apply for funding when this guidance is finalized and the application process is opened to the states.

In the interim, Ohio EPA is working on an outreach plan to ensure that communities and other stakeholders are kept informed of program developments, availability of funding and the process to apply for funding to support their important infrastructure projects throughout the state.

Contact

To get on our mailing list for updates, or for more information, email <u>InfrastructureFunding@epa.ohio.gov</u> or call (614) 644-2798.