

Everyone should have safe and affordable water. Yet, across the country, communities face mounting threats to their access to water due to rising service costs, contamination, flooding, sea-level rise, and drought.

Our country is facing a significant gap in water infrastructure funding. As of 2024, U.S. water systems need \$270 billion to maintain and update the critical infrastructure that delivers safe drinking water and sanitation to all U.S. households, leaving a \$91 billion investment gap last year alone. America's drinking water systems will need more than \$625 billion over the next 20 years.

Decades of federal underinvestment in infrastructure have left low-income, rural, and disenfranchised communities carrying an increased water burden. Affordable access is an increasing challenge for the 100 million in the United States living at or below 200 percent of the poverty threshold. Over 2 million people in the United States lack access to water and sanitation systems, and 30 - 48 million people in the U.S. face unaffordable water bills.

The Low Income Household Water Assistance Program (LIHWAP), a temporary program (2021-4), provided over \$1 billion in assistance to more than 3.8 million people, preventing nearly 1 million disconnections across the U.S. This program was established in response to the COVID-19 pandemic, with bipartisan support, to assist low-income households in paying past due bills and rates for drinking water and wastewater services.

The Water Equity and Climate Resilience (WECR) Caucus, anchored by PolicyLink, is committed to ensuring safe and affordable water for all. That means closing water access and affordability gaps in the United States.

The WECR Caucus urges the federal government to take action:

1. Maintain federal investment in water infrastructure through State Revolving Funds (SRFs)

State Revolving Funds (SRFs) are the largest vehicle for using federal funds toward improving water infrastructure. The 2021 Bipartisan Infrastructure Law (BIL) authorized an unprecedented \$43 billion in funding to the U.S. Environmental Protection Agency's (EPA) SRF programs over 5 years (2022-2026) to improve water infrastructure. This is in addition to the base SRF funds that Congress appropriates every year, but still only a drop in the bucket of what is needed.

- Congress should:
 - Pass budget legislation which ensures base SRF funding is not cut below recent levels, and Bipartisan Infrastructure Law SRF funding continues to be distributed to states and communities
 - Use oversight authority to ensure EPA has sufficient staffing at Headquarters and Regional Offices to oversee and implement distribution of federal SRF funding to states.
 - Require annual reporting on project withdrawals, bypassed projects, and funding distribution patterns from both EPA SRFs. This data would help policymakers identify and address barriers that prevent all communities from securing their fair share of funding.

2. Provide technical assistance to underserved rural and urban communities

Underserved rural and urban communities struggle to apply for federal and state funding and programs due to lack of capacity. Potential cuts to critical federally-funded water technical assistance programs, such as EPA's <u>WaterTA program</u>, would hamper existing efforts to provide support to communities that need it the most

Congress should pass budget legislation which ensures EPA continues to fund its water technical
assistance programs at levels comparable to recent years. This assistance should support predevelopment planning, engineering assessments, and design work through regional coordination hubs
and community partnerships, helping build long-term capacity for accessing SRF funding.

3. Establish and fund national data collection on water affordability

EPA's 2024 <u>Water Affordability Needs Assessment</u> obtained water cost data for only 59% of the U.S. population. Additional data on water debt, shutoffs, and water system financial capacity would help inform targeted financial and technical assistance. Getting a complete picture of water cost burden requires additional collaboration with states and local water systems. Many of the water systems that lack data serve small and rural communities and have minimal staff. Understanding their needs is critical to a nationwide approach to water security.

• Congress should pass federal legislation to establish and fund national data collection on water affordability needs.

4. Establish a permanent, national low-income water assistance program

A well-structured and adequately resourced water assistance program will help millions of Americans maintain access to affordable water while providing utilities with the financial certainty they need to continue operations and infrastructure improvements.

- Congress should establish and fund a permanent, national low income water assistance program to ensure households do not lose access to water due to an inability to pay increasingly cost prohibitive water bills. This program should:
 - **Boost and streamline water assistance program enrollment** through technology data sharing, automatic processes, multiple eligibility pathways, and efficient application methods.
 - Allow automatic enrollment for households receiving other income-based assistance.
 - Allow states flexibility to use self-attestation of income or other verification methods, with subsequent verification as appropriate to ensure program integrity.
 - Encourage states to allocate administrative resources to facilitate automatic enrollment through data matching with other federal and state assistance programs.
 - **Prohibit service disconnections** for households enrolled in the program and making regular payments.
 - **Pause penalties**, such as late fees and service disconnections, for eligible households awaiting an assistance determination.

About the Water Equity & Climate Resilience Caucus

The <u>WECR Caucus</u>, anchored by PolicyLink, is a national network of over 80 organizations centering low-income communities and frontline communities of color in working to achieve water equity and climate justice through federal and state policy advocacy.



About PolicyLink

<u>PolicyLink</u> is a national research and action institute working to build a future where all people in the United States of America can participate in a flourishing multiracial democracy, prosper in an equitable economy, and live in thriving communities of opportunity.