

## Calendar No. 125

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SENATE

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116-63

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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

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JULY 23, 2019.—Ordered to be printed

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Mr. BARRASSO, from the Committee on Environment and Public Works, submitted the following

### R E P O R T

[To accompany S. 1689]

[Including cost estimate of the Congressional Budget Office]

The Committee on Environment and Public Works, to which was referred the bill (S. 1689) 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, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### GENERAL STATEMENT AND BACKGROUND

Lead is a toxic chemical that causes serious health problems. Excessive and harmful levels of lead have been found in water systems across all fifty states. Those water systems serve drinking water to millions of people in the United States. States have access to both clean water state revolving funds (CWSRF) and drinking water state revolving funds (DWSRF). Not all states have sufficient funds in their DWSRF to address the threat to public health from heightened exposure to lead in drinking water. However, some states have available funds in their CWSRF that could be used to provide additional resources to help address lead in drinking water.

Currently states have the ability to transfer up to 33 percent of the annual capitalization grants they are awarded from one state revolving fund to the other, if the state decides to do so, in consultation with the Administrator of the Environmental Protection Agency (EPA). However, some states have already transferred the maximum allowable amount from their annual CWSRF grants to the DWSRF, but have additional available funds in their CWSRF

that could be used immediately to address a threat to public health from lead in drinking water. This bill allows a state to transfer an additional 5 percent of its CWSRF's total cumulative dollars to its DWSRF in order to address a threat to public health caused by elevated exposure to lead in drinking water. This decision is up to the states' discretion; it is not mandatory. This authority expires one year after enactment.

#### OBJECTIVES OF THE LEGISLATION

The objective of this bill is to permit a state to transfer additional funds from its CWSRF to its DWSRF in order to address the threat to public health from heightened exposure to lead in drinking water.

#### SECTION-BY-SECTION ANALYSIS

##### *Section 1. Transfer authority*

Establishes congressional findings that lead is a toxic chemical which is harmful to human health and specifically to young children; that some states do not have sufficient funds to cover the costs of lead abatement; and that some states have funds remaining in their CWSRFs that could be used to assist in addressing lead in drinking water.

Authorizes any state, in consultation with the EPA, to transfer an additional 5 percent of the total cumulative dollars of its CWSRF to its DWSRF in order to address the threat of lead in drinking water. Funds may be used in the form of a grant, forgiveness of principal, negative interest, loan, or a combination of these mechanisms. Limits the authorization to one year.

#### LEGISLATIVE HISTORY

On May 23, 2019, Senator Booker introduced 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, also known as the Water Infrastructure Funding Transfer Bill. The bill was referred to the Committee on Environment and Public Works. The EPW Committee reported S. 1689 by voice vote on June 19, 2019.

#### HEARINGS

No hearing was held on S. 1689.

#### ROLLCALL VOTES

On June 19, 2019, the Committee on Environment and Public Works met to consider S. 1689. The bill was ordered favorably reported without amendment by voice vote. No roll call votes were taken.

#### REGULATORY IMPACT STATEMENT

In compliance with section 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee finds that S. 1689 does not create any additional regulatory burdens, nor will it cause any adverse impact on the personal privacy of individuals.

## MANDATES ASSESSMENT

In compliance with the Unfunded Mandates Reform Act of 1995 (Public Law 104-4), the Committee notes that the Congressional Budget Office found that S. 1689 contains no intergovernmental or private-sector mandates.

## COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment Control Act requires that a statement of the cost of the reported bill, prepared by the Congressional Budget Office, be included in the report. That statement follows:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, June 28, 2019.*

Hon. JOHN BARRASSO,  
*Chairman, Committee on Environment and Public Works,  
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for 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.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Stephen Rabent.

Sincerely,

PHILLIP L. SWAGEL.

Enclosure.

<b>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</b>			
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	<b>Mandate Effects</b>	
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.

#### CHANGES IN EXISTING LAW

Section 12 of rule XXVI of the Standing Rules of the Senate requires the committee to publish changes in existing law made by the bill as reported. Passage of this bill will make no changes to existing law.