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The Authoritative Resource on Safe Water SM

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Budget Cuts Affect SRFs, But Levels Still Above Average

Congressional leaders avoided a shutdown of the federal government late last Friday by agreeing to a continuing resolution (CR) to fund federal operations through remainder of fiscal year 2011. As an interim measure while budget staffers wrote up the details of this agreement, Congress passed its sixth short term CR of the fiscal year, to keep the last CR in place until midnight on April 15. Before then (likely Thursday this week), Congress will vote on the final CR to carry the government through the remainder of this fiscal year, which ends on September 30.

This agreement – hailed as marking the greatest budget cuts in history – was struck just a couple of hours before about 800,000 federal employees in offices across the nation were to be furloughed at midnight, as described in our report on April 8.

Although the level of budget cuts reflected in the CR was historic, the figure of \$38 billion can be misleading, as it includes some funds cut in previous CRs, some programs that were slated for reductions anyway, some reserve funds that were unlikely to be spent, and similar cuts. The CR is largely devoid of policy decisions affecting EPA.

Final votes on the budget agreement are to take place Thursday in the House and Senate. You can be confident that the votes will not be unanimous, as those near the ends of the political spectrum are already lining up to vote “no.” Having said that, the agreement will be adopted. Then the tough work begins on the 2012 budget and on raising the federal debt limit.

Overall, EPA will see its 2011 funding reduced by \$1.5 billion compared to year’s levels, to \$8.83 billion in agency-wide funding. The state revolving loan fund programs took a major portion of that hit, but they will still be funded at levels above those of many recent years. For 2011, the drinking water SRF program will receive \$965 million, compared to \$1.38 billion in 2010 and \$865 million in 2009. The wastewater SRF program will get \$1.53 billion, compared to \$2.1 billion in 2010 and \$706 million the year before.

A strong federal partnership in drinking water and wastewater programs was one of the messages at the recently completed AWWA/WEF Water Matters Fly-In. Fly In delegates can take credit for convincing legislators of the value of the SRF programs and thus preventing the much-deeper cuts that were proposed earlier this year.

As always, please contact your AWWA Washington Office if you have questions or comments.