MAKING WAVES

GREAT LAKES AND ST. LAWRENCE CITIES INITIATIVE
L'ALLIANCE DES VILLES DES GRANDS LACS ET DU SAINT-LAURENT

U.S. President Biden Releases Annual Budget Request

On March 9, 2023, U.S. President Joe Biden submitted his President's Budget Request for Fiscal Year (FY) 2024 to the U.S. Congress for further consideration. The FY24 budget request includes proposed funding levels for U.S. federal agencies – including the U.S. Army Corps of Engineers (USACE) and the U.S. Environmental Protection Agency (U.S. EPA), among others – and U.S. federal programs.

While the U.S. Congress will take the FY24 budget request into account, which federal programs are funded at which levels is ultimately the prerogative of the legislative branch and will be determined via the appropriations process in its entirety. The U.S. Congress has begun oversight hearings featuring testimony from the executive branch on the FY24 budget request. However, the House and Senate Appropriations Committees have not yet released their versions of FY24 appropriations legislation or held markups. With these caveats in mind, let's review some of the highlights for the Great Lakes and St. Lawrence River Basin from this year's budget request.

Great Lakes Coastal Resiliency Study (GLCRS)
USACE's FY24 budget request seeks an additional $3 million for the GLCRS. The GLCRS is a multi-year effort to assess climate change-related coastal vulnerabilities, recommend potential solutions, and develop a plan to guide further investments in the 5,200 miles of Great Lakes shoreline in the United States.

The U.S. Congress has so far provided $3.5 million for the GLCRS, including $3 million in FY23. USACE has estimated that the study could cost $10.6 million in total. With a 75/25 cost share established by the Water Resources Development Act of 2020, the U.S. Congress still needs to appropriate $4.45 million towards the study to honor the obligations of the U.S. federal government as the federal sponsor, with the eight Great Lakes states contributing $2.65 million as the non-federal sponsors. Should the GLCRS receive $3 million in FY24 as USACE has requested, the U.S. Congress could be poised to provide the final $1.45 million in funding for the GLCRS in the FY25 appropriations process, assuming there are no cost increases.

Clean Water and Drinking Water State Revolving Funds
U.S. EPA's FY24 budget request seeks $1.64 billion for the Clean Water State Revolving Fund (CWSRF) Program and $1.13 billion for the Drinking Water State Revolving Fund (DWSRF) Program. The proposed FY24 funding levels are equal to the FY23 enacted amounts and supplement the combined $23.43 billion for the CWSRF and DWSRF provided by the Infrastructure Investment and Jobs Act (IIJA) over five fiscal years. Municipalities may seek funding from both the CWSRF and the DWSRF for various water-infrastructure projects, with the DWSRF also funding lead service line replacement.

Reducing Lead in Drinking Water

U.S. EPA is also seeking $182 million for the Reducing Lead in Drinking Water grant program in FY24, which would be a substantial increase above the FY23 enacted funding level of $25.01 million. This grant program, which was authorized by the Water Infrastructure Improvements for the Nation Act of 2016, has received annual appropriations in consecutive fiscal years, with the program among the federal resources supplementing the $15 billion for lead service line replacement provided by the IIJA.

Great Lakes Restoration Initiative (GLRI)

U.S. EPA's FY24 budget request includes $368.15 million for GLRI, which is approximately equivalent to the FY23 enacted funding level of $368 million. Although the proposed FY24 funding level is far below the $425 million authorization level for GLRI, it is important to remember that annual appropriations for GLRI are being supplemented by the IIJA's provision of an additional $1 billion from FY22 through FY26. U.S. EPA has stated that IIJA funding will facilitate the delisting of 22 of 25 remaining areas of concern in the United States by 2030.

Great Lakes Authority

Rep. Marcy Kaptur (OH-09) and Senator Debbie Stabenow (MI), two leaders of the Great Lakes Task Force in the U.S. Congress, have announced the President's proposed budget for FY24 also includes $5 million for the Great Lakes Authority (GLA). The GLA was authorized by the Consolidated Appropriations Act for FY23, which was signed into law in December 2022. The GLA is intended to provide grants and foster the creation of a Great Lakes-wide economic and infrastructure development plan. While the appropriation of $5 million for the GLA in FY24 would be a good first step, it remains to be seen what could be achieved – especially with respect to grantmaking – with a relatively modest amount of funding to be divided among eight states.

