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The Honorable [United States House of Representatives/United States Senate]

Subject: The President's FY 2026 Discretionary Budget Request and EPA's FY 2026 Budget in Brief Potential Impacts on Clean Water Act (CWA) Programs

Dear [Representative/Senator],

NEIWPCC appreciates the opportunity to provide comments regarding the President's FY 2026 Discretionary Budget Request and EPA's FY 2026 Budget in Brief. We are very concerned about the impacts to state and interstate Clean Water Act (CWA) Programs potentially resulting from these 2026 budget requests.

Established by an Act of Congress in 1947, NEIWPCC is a not-for-profit regional commission that helps the states of the Northeast preserve and advance water quality. We support agencies across New England and New York who are responsible for administering programs under the Clean Water Act in five key ways: (1) engaging and convening water quality professionals and other stakeholders; (2) implementing and funding research, environmental monitoring, restoration, and other on-the-ground projects; (3) training water quality professionals; (4) funding and/or staffing programs that engage the public; (5) representing the interests of member states at the local, regional and national level.

The President's May 3, 2025 Budget Request and the FY 2026 EPA Budget in Brief contain very significant cuts to the Clean Water State Revolving Fund (CWSRF), the Drinking Water State Revolving Fund (DWSRF) and several grants that are provided to the states and interstates to fund Clean Water Act implementation. In addition to funding drinking water, wastewater, and stormwater improvements, the SRF programs also provide states with important flexibility to fund projects with direct water quality benefits including nonpoint source, estuary programs, and the implementation of watershed plans that will improve water quality.

The Clean Water Act and Safe Drinking Water Act provide protection for the nation's water quality and ensure the safety of our public drinking water supply. These Acts provide federal funding that is vital to implementation of these laws. A cornerstone of each state's relationship with the federal government is that state environmental agencies carry out federal statutory mandates and the federal government provides some funding and expertise to support the state's implementation. It is cooperative federalism and fundamentally the success of the states, interstates and federal programs are intertwined. These core programs are planned for elimination or severe cuts in the above referenced 2026 proposed budgets.

Under the President's and EPA's proposals, funding to all states for the combined CWSRF and DWSRF would be reduced by 87%. Most constituents in the Northeast have benefited from the water infrastructure projects that these appropriations have helped build and there is much work left to do to





keep New England and New York waters clean and safe for drinking and recreating. If these cuts are approved, significant water resource impacts will occur in our communities with wastewater and drinking water infrastructure needs.

EPA Categorical Grants

The President's May 3, 2025 budget and the FY 2026 EPA Budget in Brief requests the complete elimination of sixteen categorical grants from EPA to the states and interstates. These include:

- 1. Beaches Protection
- 2. Brownfields
- 3. Environmental Information
- 4. Lead
- 5. Multipurpose Grants
- 6. Nonpoint Source (Sec. 319)
- 7. Pesticides Enforcement
- 8. Pesticides Program Implementation
- 9. Pollution Control (Sec. 106) Monitoring Grants
 - a. Pollution Control (Sec. 106) Other Activities
- 10. Pollution Prevention
- 11. Public Water System Supervision (PWSS)
- 12. Radon
- 13. Toxics Substances Compliance
- 14. Underground Storage Tanks
- 15. Wetlands Program Development
- 16. State and Local Air Quality Management

The proposed elimination of State and Tribal Assistance Grants (STAG), particularly Clean Water Act (CWA) Sec. 106, 319, and 604(b), can have profound effects on interstate, state, and other water programs across the country. These grants currently support essential water quality programs including permitting, compliance, enforcement, monitoring, nonpoint source pollution control, and watershed planning.

The Section 106 funds are the backbone of the CWA and are used in a variety of ways by the states and interstates to implement the CWA, including water quality monitoring and modeling, development of water quality standards, GIS work, drafting and implementing Total Maximum Daily Load assessments to bring water bodies back into attainment, compliance work, and waste discharge licensing, to name a few.

In Fiscal Year 2024, NEIWPCC utilized portions of its Section 106 funds to train and license over 2,800 wastewater treatment plant operators. Wastewater treatment operators are required to be licensed. These certifications reflect a commitment to environmental safety, ensure compliance with regulatory standards, improve operational efficiency, and enhance public health. State licenses typically have multiple levels, indicating the operator's experience and training. These operators play a crucial role in ensuring access to safe, pure water and proper wastewater treatment for environmental protection. A lack of proper credentials can jeopardize environmental safety, regulatory compliance, operational efficiency, and public health.





The Section 319 funds are used to provide grants for watershed projects to help local communities identify nonpoint source (NPS) water pollution in watersheds and restore or protect lakes, streams, or coastal waters. Funds are used to fuel programs designed to prevent and reduce NPS pollution problems.

Since 1990, NEIWPCC has been actively sponsoring a nonpoint source (NPS) focused regional conference for federal, tribal, state, and municipal government staff, private sector professionals, nonprofit and watershed organization staff, as well as college and university students and professors. NEIWPCC also hosts a national event. These functions are the premier forums for sharing information and improving communication on NPS pollution issues and projects.

Wetlands Program Development grants assist states and interstates in building programs to protect, manage, and restore wetlands. Uses include monitoring and assessment, voluntary restoration and protection, regulatory approaches including CWA 401 certification and developing wetland-specific water quality standards.

As a regional commission, NEIWPCC collaborates with its member states and partner organizations to study and preserve wetland ecosystems. Since the 1990s, NEIWPCC has managed the New England Biological Assessment of Wetlands Workgroup (NEBAWWG); sharing information on the monitoring and assessment of regional wetland health. NEBAWWG regularly coordinates with national-level partners such as the National Association of Wetland Managers (NAWM) and regional workgroups such as the Mid-Atlantic Wetland Workgroup (MAWWG).

NEIWPCC also coordinates and facilitates the Wetlands Workgroup (WWG). WWG members meet biannually to discuss and share information regarding state and federal wetland regulatory programs and policies. Wetland health and resilience is discussed in other NEIWPCC workgroups including the Harmful Algal Bloom Workgroup.

State and Interstate programs report that the loss of these critical funds will detrimentally impact public health, the environment, and growing economies. Some key impacts to state and interstate programs resultant from the elimination of these categorical grants include:

- **Program Collapse**: Many states report that entire sections or bureaus would cease to function, including those responsible for water quality standards, Total Maximum Daily Loads (TMDLs), nonpoint source pollution, monitoring, and enforcement.
- Loss of Authority: Some states may no longer meet federal requirements to retain authority for programs such as the National Pollutant Discharge Elimination System (NPDES) and Drinking Water programs.
- **Staff Layoffs**: Elimination of these grants would lead to significant staff reductions, sometimes by over 90%, affecting both state agency personnel and local project staff supported through pass-through funding.
- **Reduced Monitoring and Oversight:** Ambient water quality monitoring, watershed assessments, and enforcement would be drastically reduced, leaving gaps in regulatory oversight and public health protections.
- Halted Projects: Ongoing nonpoint source projects, watershed restoration, permit support, stream/wetland restoration, and flood resilience planning would stop or be delayed, potentially worsening water pollution and impeding economic development.





• **Economic Impacts**: Funding loss could harm local economies reliant on recreational waters, tourism, and agriculture, while also stalling infrastructure and permitted projects due to regulatory delays.

NEIWPCC looks forward to working collaboratively and in a coregulatory capacity with EPA and our state partners to safeguard human health and the environment. NEIWPCC supports robust implementation of all Clean Water Act and Safe Drinking Water Act programs by appropriating funds as authorized and discourages anything that might detract from the success of the two Acts. The absence of these funds can lead to failure to meet federal program obligations; a lack of progress in water quality improvements; lost opportunities for infrastructure investment and pollution reduction; an inability to generate important water quality data and conduct public health protection efforts (e.g., fish consumption advisories, swimming safety); and reduced capacity for community and agricultural engagement in conservation practices.

Thank you for your consideration of these comments. Please do not hesitate to contact me at <u>ssullivan@neiwpcc.org</u>, 978.323.7929 x. 503 if you have any questions or concerns.

Sincerely,

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Susan J. Sullivan Executive Director

CC: New England and New York Congressional Delegation NEIWPCC Executive Committee and Commissioners

