



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
WATER

February 18, 1998

SRF 98-06

MEMORANDUM

SUBJECT: Proposed Capitalization Levels for Clean Water and Drinking Water SRFs

FROM: Richard Kuhlman, /s/
State Revolving Fund Branch

TO: Clean Water and Drinking Water SRF State Program Managers
Water Division Directors

The financial resources that the Clean Water and Drinking Water State Revolving Funds (SRFs) provide are essential in helping States promote water quality and protect public health. As you know, EPA and the States assume a shared responsibility for utilizing these resources so that public health and environmental compliance benefits are maximized. Part of this shared responsibility is communicating information that impacts present and future SRF program planning. As such, we are pleased to provide you with the following information about the Administration's Federal capitalization plans for the two SRFs:

<i>Fiscal Year</i>	<i>Proposed level for Clean Water SRF</i>	<i>Proposed level for Drinking Water SRF</i>
1997	\$ 625 million	\$1.275 billion
1998 (enacted)	1.350 billion	725 million
1999 (Pres. Bud.)	1.075 billion	775 million
2000	1.000 billion	975 million
2001	1.000 billion	975 million
2002	1.000 billion	975 million
2003	650 million	1.000 billion

The above capitalization plan is similar to the plan discussed in the attached memorandum dated June 5, 1997 (SRF 97-6), except for the fiscal years 1998 and 1999. The FY 1998 enacted budget provides \$1.35 billion for the CW-SRF and \$725 million for the DW-SRF. The FY 1999 President's Budget Request proposes \$1.075 billion in funding for the CW-SRF and \$775 million for the DW-SRF. This proposed capitalization schedule is consistent with the plan to capitalize the CW-SRF and DW-SRF so that, on a national basis, they will generate average annual assistance (revolve) at about \$2 billion and \$500 million, respectively. The attached charts illustrate the amounts of assistance that we expect the SRFs to provide over the long run.

This information will assist State and EPA staff with current and future planning, and will help States work with their legislatures to plan for the appropriation of SRF match funds. If you have any comments or questions about our capitalization plan, please contact me at (202) 260-7366, Jamie Bourne of the DW-SRF at (202) 260-5557, or your SRF Regional Coordinator.

Attachments

cc: Clean Water and Drinking Water SRF Regional Coordinators

Attachments available upon request