

Draining our future.

Congressional cuts to water funding undermine U.S. competitiveness.

Background.

Clean, safe water is essential to public health, economic growth, and U.S. competitiveness. But under the FY26 House Interior, Environment, and Related Agencies Appropriations Subcommittee's bill, critical water infrastructure funding is on the chopping block.

The House bill would slash EPA's total budget by \$2.12 billion (23%) from FY25 levels, with particularly steep cuts to state-level programs that safeguard water systems across the country, including:

- Clean Water SRF cut by 26%
- Drinking Water SRF by 21%

These cuts threaten states' ability to modernize failing infrastructure, address PFAS contamination, and remove harmful lead pipes, especially in small and rural communities.

And these cuts don't just affect pipes and pumps: they threaten American jobs, delay billions in private investment, shift the cost burden to families already facing inflation, and put public health at risk.

Why it matters.

Water infrastructure is the backbone of a functioning economy, from safe and secure drinking water to flood-resilient sewer systems. Water systems provide essential services that businesses and families depend on daily, and they're especially critical for small towns, rural communities, and fast-growing suburbs struggling to keep pace with demand.



~15 American jobs

Every \$1 million invested in water infrastructure supports about 15 good-paying American jobs.



\$1 turns into \$2.63

Every \$1 invested generates \$2.63 in economic output across the U.S. economy.

\$664M in proposed cuts = 9,960 jobs lost and \$1.75B in lost output.

Meanwhile:

- **Water bills are rising faster than inflation for working families.**
- **States face budget shortfalls for basic services** like lead service line replacement, PFAS cleanup, and sewer upgrades.
- **Private capital stays sidelined when federal cost-sharing disappears, halting shovel-ready projects and job creation.**

The economic fallout.

If enacted, these cuts will undermine the economic foundation of communities across the country:

- **Working families will face an increased cost of living** as local governments lose federal cost-sharing and are forced to increase water bills or delay essential repairs that could threaten public health.
- **Small and rural utilities will fall behind**, as cuts to technical assistance and workforce development leave them without the tools to modernize or meet regulatory standards. That puts residents at risk of service disruptions and higher maintenance costs down the line.
- **Certainty will disappear for states and municipalities**, making it harder to plan long-term and harder to attract private investment needed to modernize infrastructure.
- **Shovel-ready projects will stall**, leaving billions in private capital on the sidelines and delaying job creation, economic growth, and infrastructure upgrades in cities and towns nationwide.
- **Momentum to modernize aging infrastructure will be lost**, threatening America's competitiveness and the economic security of our workers and businesses.
- **National security risks will rise**, as underinvestment in water infrastructure weakens our defenses against cyberattacks, ransomware incidents, and exploitation by rogue nations or bad actors targeting utilities that are increasingly connected but under-resourced.

Well-funded water infrastructure programs don't just repair aging systems—they help keep costs down for hardworking families, safeguard America's critical infrastructure, and support local economic growth. Every federal dollar invested serves as a force multiplier, attracting private capital, supporting good jobs, and strengthening our nation's long-term competitiveness.

How funding cuts will affect your state.

Cuts to water infrastructure funding will have drastic impacts in every state. Below is a chart showing the expected reduction in funds by state based on the draft House appropriations bill for FY26.

State	FY25 Total Base Allotments by State (CWSRF + DWSRF)	FY26 House Bill Projected Base SRF Allotments by State if 24% Cuts are Enacted	Projected Reduction in Allotments to States if House Bill is Enacted (FY25-FY26)
Alabama	\$37.00 M	\$28.38 M	-\$8.62 M
Alaska	\$20.40 M	\$15.67 M	-\$4.74 M
Arizona	\$29.80 M	\$23.06 M	-\$6.74 M
Arkansas	\$23.44 M	\$18.03 M	-\$5.41 M
California	\$231.13 M	\$177.15 M	-\$53.98 M
Colorado	\$31.80 M	\$24.54 M	-\$7.26 M
Connecticut	\$30.34 M	\$23.00 M	-\$7.35 M
Delaware	\$18.69 M	\$14.41 M	-\$4.29 M
Florida	\$92.91 M	\$70.75 M	-\$22.16 M
Georgia	\$56.40 M	\$43.27 M	-\$13.12 M
Hawaii	\$23.19 M	\$17.73 M	-\$5.47 M
Idaho	\$18.69 M	\$14.41 M	-\$4.29 M
Illinois	\$104.85 M	\$79.20 M	-\$25.65 M
Indiana	\$56.95 M	\$43.06 M	-\$13.89 M
Iowa	\$37.87 M	\$28.86 M	-\$9.01 M
Kansas	\$26.48 M	\$20.22 M	-\$6.26 M
Kentucky	\$33.47 M	\$25.44 M	-\$8.03 M
Louisiana	\$32.33 M	\$24.69 M	-\$7.64 M
Maine	\$23.19 M	\$17.72 M	-\$5.47 M
Maryland	\$61.03 M	\$46.29 M	-\$14.74 M
Massachusetts	\$77.28 M	\$58.32 M	-\$18.96 M
Michigan	\$93.10 M	\$70.07 M	-\$23.03 M
Minnesota	\$45.66 M	\$34.61 M	-\$11.05 M
Mississippi	\$27.95 M	\$21.39 M	-\$6.56 M
Missouri	\$61.74 M	\$46.53 M	-\$15.20 M
Montana	\$18.69 M	\$14.41 M	-\$4.29 M
Nebraska	\$19.02 M	\$14.65 M	-\$4.37 M
Nevada	\$19.10 M	\$14.73 M	-\$4.37 M
New Hampshire	\$26.76 M	\$20.36 M	-\$6.41 M
New Jersey	\$84.19 M	\$63.18 M	-\$21.01 M

New Mexico	\$18.69 M	\$14.41 M	-\$4.29 M
New York	\$226.06 M	\$169.59 M	-\$56.47 M
North Carolina	\$58.69 M	\$44.99 M	-\$13.70 M
North Dakota	\$18.69 M	\$14.41 M	-\$4.29 M
Ohio	\$113.94 M	\$85.42 M	-\$28.52 M
Oklahoma	\$28.67 M	\$22.04 M	-\$6.62 M
Oregon	\$34.33 M	\$26.25 M	-\$8.08 M
Pennsylvania	\$98.82 M	\$74.92 M	-\$23.90 M
Puerto Rico	\$31.60 M	\$23.92 M	-\$7.68 M
Rhode Island	\$21.56 M	\$16.52 M	-\$5.04 M
South Carolina	\$29.88 M	\$22.81 M	-\$7.07 M
South Dakota	\$18.69 M	\$14.41 M	-\$4.29 M
Tennessee	\$41.41 M	\$31.58 M	-\$9.83 M
Texas	\$159.47 M	\$122.55 M	-\$36.91 M
Utah	\$19.27 M	\$14.83 M	-\$4.44 M
Vermont	\$18.69 M	\$14.41 M	-\$4.29 M
Virginia	\$47.87 M	\$36.18 M	-\$11.69 M
Washington	\$52.56 M	\$40.18 M	-\$12.38 M
West Virginia	\$35.64 M	\$26.90 M	-\$8.74 M
Wisconsin	\$61.57 M	\$46.46 M	-\$15.10 M
Wyoming	\$18.69 M	\$14.41 M	-\$4.29 M
D.C.	\$18.69 M	\$14.41 M	-\$4.29 M