

# Water Infrastructure Needs in Southern States

## Recommendations

Congress has the opportunity to ensure that the Southern states of Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee and Texas have the funds they need to improve, upgrade, and repair drinking water, wastewater, and stormwater systems.

- Pass budget legislation which ensures base SRF funding is not cut below recent levels, and ensures Bipartisan Infrastructure Law SRF funding continues to be distributed to states and communities.
- Pass budget legislation which ensures EPA continues to fund its water technical assistance programs at levels comparable to recent years. This assistance should support pre-development planning, engineering assessments, and design work through regional coordination hubs and community partnerships, helping build long-term capacity for accessing SRF funding.
- Use oversight authority to ensure EPA has sufficient staffing at Headquarters and Regional Offices to oversee and implement distribution of federal SRF funding to states.
- Pass legislation requiring annual reporting on project withdrawals, bypassed projects, and funding distribution patterns from both EPA SRFs. This data would help policymakers identify and address barriers that prevent all communities from securing their fair share of funding.

This document will provide more background on the urgent need, and the opportunity to address those needs through Bipartisan Infrastructure Law (BIL)-linked and base State Revolving Funds.

## The Problem

Many Southern communities, particularly in rural and historically disadvantaged areas, still lack basic water and sewer infrastructure or rely on severely aging systems that need replacement. The South's water infrastructure challenges stem from multiple factors, including: (i) aging systems that are several decades old and at high risk of failure; (ii) increasing impacts of a changing climate; (iii) historical patterns of disinvestment in communities of color and low-income neighborhoods; and (iv) capacity gaps in water systems that struggle to navigate complex funding programs.

According to the EPA, the Southern states of Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas **need more than \$183 billion over the next 20 years** (2021-2041) to improve, upgrade and repair drinking water, wastewater, and stormwater systems.

**Table 1. Water Infrastructure Investment Needs Across Select Southern States**

State	Drinking Water Infrastructure Need over 20 years	Wastewater Infrastructure Need over 20 years	Total Infrastructure Need over 20 years	Total/Ave. Annual
Alabama	\$12.1 billion	\$4 billion	\$16.1 billion	\$805 million per yr
Arkansas	\$7.6 billion	\$5.4 billion	\$13 billion	\$650 million per yr
Louisiana	\$9.0 billion	\$26.9 billion	\$35.9 billion	\$1.79 billion per yr
Mississippi	\$8.1 billion	\$1.9 billion	\$10 billion	\$500 million per yr
Oklahoma	\$9.7 billion	\$3.4 billion	\$13.1 billion	\$655 million per yr
Tennessee	\$11.5 billion	\$3.8 billion	\$15.3 billion	\$765 million per yr
Texas	\$61.2 billion	\$18.8 billion	\$80 billion	\$4 billion per yr
<b>Total Need</b>	<b>\$119.2 billion</b>	<b>\$64.2 billion</b>	<b>\$183.4 billion</b>	

Note: These figures are based on data from the U.S. Environmental Protection Agency's 2023 [Drinking Water Infrastructure Needs Survey and Assessment](#) (DWINSA) and the 2022 [Clean Watersheds Needs Survey](#) (CWNS).

## State Revolving Funds - Main Vehicle for Federal Investment in Water Infrastructure

The 2021 Bipartisan Infrastructure Law (BIL) authorized an unprecedented **\$43 billion in funding to EPA’s SRF programs over 5 years (2022-2026)** to improve water infrastructure, with 49% of funds required to assist disadvantaged communities (DACs) via principal forgiveness loans. The BIL also enabled a significantly expanded water technical assistance program that worked closely with states to expand the level of support available for rural, small, and/or underserved communities to access their fair share of federal water infrastructure funding.

BIL SRF funding has been very important for meeting Southern water infrastructure needs in that it significantly augmented “base” SRF funding (i.e. annually appropriated SRF funding by Congress). However, the estimated gap between remaining base funds and investment needs is significant, especially once BIL funds expire (Table 2). Given the enormous water needs in the South, it is imperative that 1) we fully implement the remaining BIL SRF funding over the next two years of the 2022-2026 5-year BIL appropriation; and 2) work towards securing additional water infrastructure funding to sustain these critical programs beyond when BIL SRF funds expire.

Table 2. Existing SRF Funds and Estimated Gap in Funding for Select Southern States					
State	BIL SRF Allocation DWSRF and CWSRF	Base SRF Allocation	Total SRF Funding for Water Infrastructure (incl. BIL)	Total Water Infrastructure Need (on an annualized basis) <sup>1</sup>	Total Shortfall Once BIL Expires <sup>2</sup>
Alabama	\$110.7 million	\$17.4 million	\$128.1 million	\$805 million per yr	<b>\$787.6 million per yr</b>
Arkansas	\$98.5 million	\$10.9 million	\$109.4 million	\$605 million per yr	<b>\$594.1 million per yr</b>
Louisiana	\$136 million	\$15.4 million	\$151.4 million	\$1.7 billion per yr	<b>\$1.7 billion per yr</b>
Mississippi	\$89.6 million	\$13.2 million	\$95.4 million	\$500 million per yr	<b>\$486.8 million per yr</b>
Oklahoma	\$93.4 million	\$13.4 million	\$106.8 million	\$665 million per yr	<b>\$651.6 million per yr</b>
Tennessee	\$173 million	\$19.8 million	\$192.8 million	\$765 million per yr	<b>\$745.2 million per yr</b>
Texas	\$387.6 million	\$74.8 million	\$462.4 million	\$4 billion per yr	<b>\$3.9 billion per yr</b>

### About Our Organizations

We are a coalition of 16 community-based organizations - based in Alabama, Louisiana, Tennessee and Texas that have conducted state-specific equity analyses of State Revolving Fund (SRF) programs and advocated for administrative improvements over the past two years. Our collective engagement in the South on SRFs has been supported through PolicyLink’s [“Southern State Revolving Fund \(SRF\) Analysis and Advocacy Project”](#). Information about our organizations, along with state-specific and regional analyses of DWSRF and CWSRF programs, can be found on the project site.

### About PolicyLink

PolicyLink is a national research and action institute that is working to build a future where all people in the United States of America can participate in a flourishing multiracial democracy, prosper in an equitable economy, and live in thriving communities.

Questions and comments, contact:

- Jessica Pizarek | Director of Federal Policy and Advocacy | [Jessicap@policylink.org](mailto:Jessicap@policylink.org)
- Yasmin Zaerpoor | Director of Water Equity and Climate Resilience | [Yasmin@policylink.org](mailto:Yasmin@policylink.org)

<sup>1</sup> Utilizing the 2023 [Drinking Water Infrastructure Needs Survey and Assessment](#) (DWINSA) and the 2022 [Clean Watersheds Needs Survey](#) (CWNS)

<sup>2</sup> Estimated utilizing 2024 base SRF allocation funding levels