



# washington dc update

## Proposed New Cost Sharing for Local Sponsors of Corps of Engineers Funding

October 18, 2010

Although it has received almost no publicity, there is a provision in the FY11 Senate Energy and Water Appropriations Bill that would change the funding formula for Environmental Infrastructure Projects. These projects are authorized under Section 219 of the Water Resources Development Act and have heretofore carried a 25% local and a 75% federal match. Section 117 of the Senate FY11 Energy and Water Appropriations bill would change this formula to reflect a 55% federal share and a 45% local. There is no similar provision in the House FY11 Energy and Water Appropriations bill although it is our understanding that there is support for this provision among House Members. You will recall that the FY11 Energy and Water Appropriations bill will likely be folded into a huge Omnibus bill that will be passed during the lame duck session of the Congress later this year.

**Note:**

Section 117 of the FY 11 Senate Energy and Water Appropriation bill is attached below for your ready reference.

If there is support in the House and the measure is already in the Senate version of the bill, then chances for this provision to make it into the final bill would be good although a number of Members of Congress are beginning to be aware of this provision and have expressed concern over the potential for their local projects to require what could be many millions of additional funding to meet this new 45% required local match. This issue will likely be decided over the next 1 to 2 months.

Senate Energy and Water Appropriations Chair Byron Dorgan [D:ND], with the support of ranking Republican Bennett of Utah, included Section 117 in their version of the bill. The reason they have given is that the severe reduction in the number of State and Tribal Assistance [STAG] earmarks given in the EPA's annual budget has caused Members of Congress to look elsewhere for environmental infrastructure funding. This is increasingly leading members to seek WRDA authorizations for Environmental Infrastructure and then try to cash these authorizations in at the Energy and Water Appropriations Committee. With Corps funding at best static and perhaps declining there is a concern that this EI funding could siphon money away from the main mission of the Corps of Engineers which is ports, navigation, flood control, and environmental restoration.

Section 117 is intended to bring Corps EI funding and the EPA STAG grant program into rough parity in terms of required local match.

What do you, as a WESTCAS member think about this proposal? It is important for policy-makers to also consider that the drive for EI projects reflects nothing more than the need for water resources infrastructure funding and the need for local governments to try and establish local/federal partnerships to fund these activities.

FY11 Senate Committee Bill Language--Cost Share change on Environmental Infrastructure Programs/Projects

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SEC. 117.

(a) The Federal share of the cost of any environmental infrastructure assistance project or program for which an initial appropriation is provided in this Act or any other Act providing appropriations for Energy and Water Development for fiscal year 2011 shall be 55 percent of the total cost of the project or program.

(b) Any cost-sharing agreement executed on or before October 1, 2011 for an environmental infrastructure assistance project or program that is modified during fiscal year 2012 shall also include a modification specifying that the Federal share of the cost of the project or program is 55 percent of all future costs of the project or program.

(c) Any cost-sharing agreement in effect as of October 1, 2012 for which the Federal share of the cost is greater than 55 percent shall be modified to reduce the Federal cost share to 55 percent of all future costs.

(d) Except as provided in subsections (b) and (c) of this section, as of October 1, 2012, the Federal share of the cost of any environmental infrastructure assistance project or program shall be 55 percent of the total cost of the project or program.