

Methodological appendix

This appendix provides more detailed information on our methodological approach to analyzing state water infrastructure planning, project selection, and capacity needs across State Revolving Funds (SRFs), including both the Clean Water State Revolving Fund (CWSRF) programs and Drinking Water State Revolving Fund (DWSRF) programs.

We examine a common set of questions across all 50 states and Puerto Rico to analyze SRFs, specifically by considering relevant planning documents such as Intended Use Plans (IUPs), annual reports, and other publicly available content from state agencies. These documents contain essential (and sometimes federally required) details to guide state-level water policies, programmatic needs, and project priority lists; this is especially the case for [IUPs](#), which describe how states intend to use SRF funding as part of applications for federal capitalization grants. To get a full scope of needed water investments, we examine the most currently available documents for each state.

There are a total of 21 questions organized into three categories, spelled out below. The first six questions focus on **planning**, including information on state-level goal-setting and policy priorities, typically found in IUPs. The next six questions focus on **project selection**, including information on state project priority lists and the criteria used to rank different projects, typically found within or alongside IUPs. The final nine questions focus on **capacity**, including information on staffing, technical assistance, community outreach, and other state financial resources and programmatic flexibility to help local utilities access SRF funding; these details appear across a broader range of sources, such as annual reports and materials available on state agency websites.

1. Does the IUP explicitly mention green projects within the short- and long-term goals?

If the IUP goals explicitly mentioned green projects (e.g., green infrastructure, water efficiency, energy efficiency, or environmentally innovative activities), the state received a score of 1. If the goals did not mention green projects in any capacity, the state received a score of 0.

Federal requirements: The Green Project Reserve (GPR), established by the American Recovery and Reinvestment Act (ARRA), requires at least 10% of funds from each state's CWSRF program be used for planning, design, or building eligible green projects. Public Law 111-88 mandates that not less than 20% of DWSRF funds available to each state be used for green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

2. Does the IUP explicitly describe environmental justice concerns within the short- and long-term goals?

If the IUP goals mention environmental justice (including terms such as race, color, national origin, or income) beyond simply using the collective EPA term "disadvantaged communities," the state received a score of 1. If they did not mention any of the above terms, simply mention prioritizing "disadvantaged communities," or don't include "disadvantaged communities," the state received a score of 0.

Federal requirements: The Safe Drinking Water Act requires DWSRF IUPs to prioritize projects addressing the most serious health risks and assist systems most in need per household based on state affordability criteria. The Consolidated Appropriations Act of 2024 encourages, but does not require, DWSRFs to use funds made available by the act to address green infrastructure, water or energy efficiency

improvements, or other environmentally innovative activities. Additionally, the Water Resources Reform and Development Act mandates that states establish CWSRF affordability criteria based on income, unemployment data, population trends, and whether the project is in an economically distressed area.

3. Does the IUP include more specific timeframes (e.g., five to 10 years, 20 to 30 years) beyond the federally required “short- and long-term” horizons?

If the IUP goals mentioned specific timelines (e.g., “over the next 18 months the program will review the priority ranking system”), the state received a score of 1. If the goals failed to mention any specific timeframes, the state received a score of 0.

4. Does the IUP include community outreach as part of its short- or long-term goals?

If the IUP goals mentioned community outreach or community outreach practices (e.g., attending conferences, hosting webinars and workshops, meeting with municipalities) the state received a score of 1. If they did not mention any of the above, the state received a score of 0.

5. Within the annual report, does the state include any accountability or measurement for how it is executing on goals?

If the annual report clearly stated accomplishments and/or progress toward reaching the goals set in the IUP, the state received a score of 1. If the annual report did not clearly state accomplishments and/or progress, the state received a score of 0.

Null: States are not required to publicly share their annual report. If an annual report could not be obtained either publicly or through individual outreach, a null score was assigned. This approach was used to avoid penalizing states for the unavailability of information, as the content could not be verified.

6. Within the annual report, does the state have an aggregation of previously or currently funded SRF projects?

If the annual report contained a list or table showing previously or currently funded projects (e.g., a table in annual report titled “Projects receiving SRF financial assistance”), the state received a score of 1. If the annual report did not include a list or table of previously or currently funded projects, the state received a score of 0.

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7. Does the state include a project priority list separately and publicly transparently from its IUP?

If the project priority list is presented in a separate document clearly and publicly available on a state’s SRF website, the state received a score of 1. If the state only presented their project priority list within their IUP, the state received a score of 0.

8. Does the project priority list include a detailed breakdown of ranking scores?

If the project priority list detailed the points allocated per criterion (e.g., 60 points for public health, 10 points for green projects, and 2 points for aging infrastructure), in addition to the total points for a given

project, the state received a score of 1. If the project priority list only provided the total points for each project (e.g., in a column titled “Points”), the state received a score of 0.

9. Does the project priority list report the specific number of green contributions for each project?

If the project priority list had a column that indicated the number of green contributions each project received (e.g., if there is a column titled “Green Project Reserves” and each project row indicates whether it received funding for green projects using symbols such as %, Y/N, or \$), the state received a score of 1. If the project priority list did not have a column indicating the green project contributions for each project, the state received a score of 0.

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10. Does the project priority list clearly indicate if a project serves disadvantaged communities?

If the project priority list had a column that indicated if the project serves a disadvantaged community (e.g., disadvantaged community, affordability score, etc.) the state received a score of 1. If the project priority list did not have a column that indicated if a project serves a disadvantaged community or if the columns only indicated if the project received principal forgiveness, the state received a score of 0.

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11. Does the IUP include green projects as part of its project ranking criteria?

If the IUP criteria awards points for specific green projects (e.g., green infrastructure, water efficiency, energy efficiency, or environmentally innovative activities), the state received a score of 1. If the criteria did not mention green projects, the state received a score of 0.

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12. Does the IUP have criteria focusing explicitly on specific environmental justice concerns?

If the criteria consider environmental justice factors (e.g., race, color, national origin, or income) in prioritizing projects, the state received a score of 1. If the state only mentioned affordability criteria or failed to mention any demographic or environmental justice factors, the state received a score of 0.

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13. Does the IUP describe staffing demands within the short- and long-term goals?

If the IUP goals indicated staffing needs or assisting public water systems with staffing demands, the state received a score of 1. If the IUP goals did not indicate staffing needs or mention staff/staffing, the state received a score of 0.

14. Does the annual report consider or assess outstanding staffing demands?

If the annual report mentioned a lack of staffing or noted other staffing demands or constraints (e.g., had setbacks in meeting goals due to staffing changes), the state received a score of 1. If the annual report did not mention staffing constraints or demands in any way, the state received a score of 0.

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15. Within the annual report and/or IUP, does the state describe outreach efforts to assist potential SRF borrowers?

If the annual report and/or IUP described the outreach efforts the state will or did take to assist public water systems (e.g., provided trainings and briefings, work with partners to identify new borrowers, etc.) the state received a score of 1. If neither the annual review nor IUP described any outreach efforts, the state received a score of 0.

16. Does the IUP describe specific technical assistance (TA), such as planning or predevelopment grants, for SRF borrowers?

If the IUP clearly describes planning and development grants offered by the state and/or describe how the state plans to use the EPA recommended 2% of funding for TA, the state received a score of 1. If the IUP does not describe any planning or development grants or does not describe how the state will use TA, the state received a score of 0.

17. Does the state have a public and transparent dedicated technical assistance website/and or other medium?

If the state's website has a page for technical assistance, clearly describes technical assistance on their landing page, or has a separate document explaining a technical assistance program, the state received a score of 1. If they do not have a page for technical assistance, do not clearly describe technical assistance

on their landing page, or do not have a separate document explaining a technical assistance program, the state received a score of 0.

18. Does the IUP include an evaluation of different financing options that SRF borrowers can consider in loan repayments?

If the IUP clearly and explicitly stated the various types of funding assistance the state will offer (e.g., explains set-asides, green contributions, etc.) the state received a score of 1. If the IUP did not clearly and explicitly state the type of funding assistance available, the state received a score of 0.

19. Does the state have a green funding mechanism for water infrastructure beyond the federal requirements?

If the state has a loan or grant program that provides funding separate from the GPR for green water infrastructure projects (e.g., green stormwater infrastructure projects, water recycling projects, rainwater catchment projects) the state received a score of 1. If the state does not have a loan or grant program that provides funding for green water infrastructure projects, the state received a score of 0.

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20. Does the IUP describe attractive financing available to qualified disadvantaged communities, beyond what is federally required?

If the IUP clearly states the amount of funding assistance (e.g., lower interest rate, principal forgiveness) available to disadvantaged communities, the state received a score of 1. If the IUP does not clearly state the funding available, the state received a score of 0.

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21. Does the state have a water affordability program separate and independent from the required additional subsidization/principal forgiveness for disadvantaged communities?

If the state has a grant program dedicated to assisting low-income, small, or disadvantaged communities, the state received a score of 1. If the state does not have a grant program dedicated to assisting low-income, small, or disadvantaged communities, the state received a score of 0.

Federal requirements: The Safe Drinking Water Act requires DWSRF IUPs to prioritize projects addressing the most serious health risks and assist systems most in need per household based on state affordability criteria. The Consolidated Appropriations Act of 2024 encourages, but does not require, DWSRFs to use

funds made available by the act to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. Additionally, the Water Resources Reform and Development Act mandates that states establish CWSRF affordability criteria based on income, unemployment data, population trends, and whether the project is in an economically distressed area.