



washington dc update

February 13, 2012

Release of the President's FY13 Budget

Yesterday was that particular Monday afternoon that comes each February when agencies of the Executive Branch roll out their parts of the President's proposed budget for the upcoming fiscal year. There is a consensus that most of the decisions concerning FY13 spending will be put off until the lame duck session of Congress that will be held after the election on November 6 and the end of the year. But there has to be a starting point and that is what today has been all about.

The proposed water infrastructure budget figures are of interest to WESTCA particularly because a week from Thursday a group of WESTCAS members will gather in Phoenix to draft a water infrastructure financing plan with a special emphasis on the needs of the Arid West.

Our dual focus will be on trying to preserve as much water infrastructure funding in the regular Appropriations cycle while identifying new financing mechanisms that will allow the water community to tap into the private sector. The budget figures just released this afternoon for Appropriations are largely disappointing and serve as a reminder of the importance of supplementing these funds with new sources of investment.

Here are some basic proposed budgets for USEPA, the Bureau of Reclamation, and the Corps of Engineers.

USEPA

Clean Water SRF

- FY13 proposed, \$1,175,000,000/FY12 enacted \$1,468,806,000

Drinking Water SRF

- FY13 proposed, \$850,000,000/FY12 enacted \$919,363,000

Bureau of Reclamation Water and Related Resources

- FY13 proposed, \$818,635,000/FY12 enacted \$895,000,000

US Army Corps of Engineers

- FY13 Investigations proposed, \$102,000,000/FY12 enacted \$125,000,000
- FY13 Construction proposed, \$1,471,000,000/FY12 enacted \$1,694,000,000

Although headed in the wrong direction, these figures still represent well over \$3 billion in proposed Federal funding for water infrastructure in FY13. It must also be remembered that the Congress will likely choose to increase the amount as the Appropriations process moves forward.

But this \$3+ billion must also be considered in light of the estimated \$600 billion backlog in water infrastructure funding which will be needed over the coming 20 years. At the current rate, it would take about 200 years to achieve this level.

There has to be a better way and WESTCAS will attempt to make a unique and thoughtful contribution to addressing this national challenge.

Summary & Take-Away .

The President's FY13 Budget is largely disappointing, but there is still over \$3 Billion in proposed Federal funding for water infrastructure. Also, this is the opening round and Congress, probably in the lame-duck session, will likely choose to increase the amounts.

For EPA, BOR, and USACOE, note the proposed cuts in FY13 budget as compared to the enacted amounts in FY12.

It is indeed timely that WESTCAS is drafting a water infrastructure financing proposal.

