

At a Glance

S. 3590, Drinking Water Infrastructure Act of 2020

As reported by the Senate Committee on Environment and Public Works on May 11, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	77	1,970	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	Yes, Over Threshold
		Contains private-sector mandate?	Yes, Over Threshold

The bill would

- Authorize appropriations for the Environmental Protection Agency (EPA) to establish new grant programs
- Make changes to and authorize appropriations for several existing EPA grant programs
- Direct EPA to issue a national primary drinking water regulation for some perfluoroalkyl and polyfluoroalkyl substances (PFAS)
- Direct EPA to conduct studies and issue guidance
- Impose intergovernmental and private-sector mandates by requiring public water systems to comply with new rules controlling the concentrations of PFAS in drinking water

Estimated budgetary effects would primarily stem from

- Specified authorizations of appropriations for EPA
- EPA's administrative costs

Detailed estimate begins on the next page.



Bill Summary

S. 3590 would authorize appropriations for the Environmental Protection Agency (EPA) to fund 17 grant programs aimed at improving the quality of drinking water. The bill also would direct EPA to issue a national primary drinking water regulation, which would establish legally enforceable limits on concentrations of certain perfluoroalkyl and polyfluoroalkyl substances (PFAS) in drinking water.¹ In addition, S. 3590 would direct EPA to study access to affordable supplies of drinking water, issue new guidance and testing protocols for lead contamination, and report on new technologies to enhance the treatment, safety, and affordability of drinking water.

Estimated Federal Cost

The estimated budgetary effect of S. 3590 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 3590

	By Fiscal Year, Millions of Dollars					2021-2025
	2021	2022	2023	2024	2025	
Grant Programs						
Authorization	395	650	540	540	10	2,135
Estimated Outlays	62	283	481	553	475	1,854
Other Costs						
Estimated Authorization	30	26	26	26	10	118
Estimated Outlays	15	27	26	26	22	116
Total Changes						
Estimated Authorization	425	676	566	566	20	2,253
Estimated Outlays	77	310	507	579	497	1,970

Components may not sum to totals because of rounding.

Basis of Estimate

For this estimate, CBO assumes that S. 3590 will be enacted early in fiscal year 2021, that the authorized and estimated amounts will be appropriated for each fiscal year, and that spending will follow historical patterns for similar projects and programs.

1. PFAS constitute a group of hundreds of synthetic products manufactured and used by a variety of industries and in many consumer products. PFAS tend to persist in the environment and in the human body. See Environmental Protection Agency, “PFOA, PFOS and Other PFASs, EPA Basic Information on PFAS” (accessed October 19, 2020) www.epa.gov/pfas/basic-information-pfas.



Grant Programs

S. 3590 would authorize appropriations totaling \$2.1 billion over the 2021-2025 period for EPA to fund new or existing grant programs as detailed below:

- For states to address groundwater contamination with a focus on contamination by PFAS (\$800 million);
- For public water systems and water quality programs in small and disadvantaged communities (\$500 million);
- For lead reduction, advanced technologies, operational sustainability for small water systems, and other purposes (about \$500 million); and
- For grants for drinking water infrastructure projects, projects to increase the resilience of drinking water systems in the face of natural hazards, and projects to reduce and remove plastic waste in drinking water (\$280 million).

Using information from EPA, CBO estimates that implementing those grant programs would cost about \$1.9 billion over the 2021-2025 period and about \$200 million after 2025.

Other Costs

In addition, EPA would incur administrative costs to establish and operate the programs authorized under S. 3590 because generally the agency is not authorized to cover those costs using grant funds. Using information from EPA, CBO estimates that the agency would eventually require about 45 additional employees, at a cost of \$180,000 each, on average, to develop and administer the grant programs. Those costs would total about \$37 million over the 2021-2025 period.

S. 3590 would authorize the appropriation of \$5 million for EPA to study impediments in access to affordable drinking water faced by low-income households. The bill also would authorize the appropriation of \$15 million annually over the 2021-2024 period for EPA to provide technical assistance to help small water systems comply with the National Primary Drinking Water regulations. CBO estimates that implementing those provisions would cost \$65 million over the 2021-2025 period.

S. 3590 would direct EPA to issue a national primary drinking water regulation for two specific types of PFAS and for other contaminants that meet certain criteria.² Using information from EPA, CBO estimates that issuing those regulations would cost about \$3 million annually, or \$14 million over the 2021-2025 period, for the agency to conduct studies, gather information, and undertake rulemakings.

2. National primary drinking water regulations are legally enforceable standards and treatment techniques that public water systems must follow to limit certain contaminant concentrations in drinking water.



Pay-As-You-Go Considerations: None.

Increase in Long-Term Deficits: None.

Mandates:

S. 3590 contains intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost of the mandates would exceed the annual thresholds established in UMRA of \$84 million and \$168 million, respectively, in 2020 (adjusted annually for inflation).

By requiring EPA to issue new regulations for PFAS concentrations in drinking water, the bill would impose a mandate on owners and operators of public water systems that are regulated by the Safe Water Drinking Act. To comply with the new regulations, all water systems, regardless of ownership, would be required to meet standards for water testing, monitoring, and treatment that would entail both capital expenditures and ongoing costs for operations and maintenance. (Approximately 32,000 water systems owned and operated by public entities serve nearly 90 percent of the U.S. population; about 35,000 smaller systems, many serving fewer than 500 people, are owned by private entities.)

EPA has not established the new regulations; therefore, CBO has no basis on which to estimate the extent of investments necessary for compliance. However, because more than 67,000 public water systems would be subject to the new regulations, CBO expects that the capital and other costs for monitoring, treating, and removing PFAS from drinking water could exceed several billion dollars in the first five years the mandate would be in effect.

Previous CBO Estimate

On November 25, 2019, CBO published a [cost estimate for S. 1507](#), the PFAS Release Disclosure and Protection Act of 2019, as reported by the Senate Committee on Environment and Public Works on June 19, 2019. Section 201 of that bill is similar to section 16 of S. 3590. However, on March 10, 2020, EPA took actions under current law to regulate certain PFAS; those actions are similar to what would be required under both pieces of legislation. The estimated costs of implementing S. 3590 reflects that change in regulations and the conclusion of fiscal year 2020.



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