

**Background Information for
Joint Legislative Commission on Governmental Operations January 28, 2014 Meeting**

Administration of CDBG

The General Assembly transferred the administration of the Community Development Block Grant (CDBG)-Infrastructure program from the Department of Commerce to the Department of Environment and Natural Resources (DENR) in the last legislative session. A question about which counties are eligible to apply for grant funds has arisen as a result of the change. Specifically, a difference between the committee report and the budget bill caused uncertainty for DENR as to the General Assembly's intent.

Background

In the 2013 legislative session, the General Assembly created a new division, the Division of Water Infrastructure, within the Department of Environment and Natural Resources. The division was created to consolidate the funding for all State-administered water and wastewater grant and loan programs for public health and environmental infrastructure needs as well as to provide a single point of entry for local governments to apply for funds.

The new division administers two loan programs, the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, and a portion of one federally funded grant program, the Community Development Block Grant (CDBG) Infrastructure program. The General Assembly also provided the division with a General Fund appropriation for planning and supplemental grants for water and wastewater needs in the State's most economically distressed Tier 1 and Tier 2 counties. (See table below for funding levels.)

Lastly, the General Assembly created a new oversight authority, the Water Infrastructure Authority, which among other things, was authorized to set priorities for grants and loans administered by the new division, to review funding applications received as well to make final award decisions.

Programs and Funds Administered by the Division of Water Infrastructure

Program	FY 2013-14	FY 2014-15
Clean Water State Revolving Fund *	\$ 29,550,000	\$ 30,000,000
Drinking Water State Revolving Fund *	\$ 28,140,000	\$ 29,872,950
CDBG - Infrastructure	\$ 25,837,500	\$ 25,837,500
General Fund- Planning and Supplemental Grants	\$ 4,000,000	\$ 5,500,000
Total Funding Available	\$ 87,527,500	\$ 91,210,450

*The federal government provides \$5 in loan funds for every \$1 in state matching funds.