

Community Grants Program

COST SHARE WAIVER IMPLEMENTATION GUIDANCE
EFFECTIVE AS OF MARCH 1, 2024



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Purpose

This document provides guidance on how the U.S. Environmental Protection Agency will consider waiving the non-federal cost share requirement for water infrastructure projects identified as Congressionally Directed Spending (CDS) and Community Project Funding (CPF) items in Appropriations Acts; water infrastructure CDS/CPF projects are further referred to as Community Grants projects in this document.

Effective March 1, 2024, this guidance replaces all previous guidance on waivers to cost share requirements including those provided in the [Fiscal Year \(FY\) 2022 and FY 2023 Community Grants Program Final Implementation Guidance](#) documents. This guidance ensures Community Grants program recipients that are defined as disadvantaged for the purpose of this program are the primary and direct beneficiaries of the projects for which cost share requirements are waived. Cost share requirements are waived based upon the socioeconomic-related characteristics of the residents of recipient communities, in accordance with the cost share waiver criteria provided below.

Waivers to Cost Share Requirements

The FY 2022 and subsequent Appropriations Acts, require each Community Grant recipient to provide a cost share from non-federal sources unless the recipient is approved for a cost share waiver by the EPA. The EPA supports waiving required non-federal cost share for projects that primarily serve and benefit, disadvantaged communities. The EPA is using the discretion provided by the FY 2022 and subsequent Appropriations Acts (see [Appendix A](#)) to consider waiving or reducing statutorily required non-federal cost share on Community Grant funds when requested and appropriate.

For projects identified in the FY 2022 Appropriations Act and in subsequent Appropriations Acts, EPA will consider the Cost Share Waiver Criteria A – E¹ below, in defining disadvantaged communities for the purposes of Community Grants. Projects identified in Appropriations Acts whose primary benefits are to communities that meet at least one of the criteria below may request a waiver of the non-federal cost share requirement under the Community Grants Program. Systems that serve large service areas with a specific project that will primarily serve a subset of its service area that meets one of these criteria may also request a waiver.

¹EPA developed Cost Share Waiver Criteria A – E for the purposes of assessing the appropriateness of waiving the cost share requirement for the drinking water, wastewater, stormwater infrastructure, and water quality protection projects identified in the Appropriations Acts, based on the EPA's Memorandum: [Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law](#), March 8, 2022 (see Attachment 1, Appendix E, of the memorandum); the EPA will take these criteria into consideration when assessing the appropriateness of waiving the cost share requirement for any drinking water, wastewater, stormwater infrastructure, and water quality protection projects identified in the FY 2022 Appropriations Act and in subsequent Appropriations Acts.

Waivers to the cost share requirement must be approved by the EPA's Assistant Administrator for Water or Regional Administrators or authorized delegated officials for projects identified in the FY 2022 Appropriations Acts and in subsequent Appropriations Acts, in accordance with the EPA's Delegation of Authority 1-102.² Recipients requesting cost share waivers must submit a written request to the Regional EPA [Point of Contact](#) or Project Officer for consideration. Waiver requests should include applicable Cost Share Waiver Criteria and any related supporting documentation including source data retrieved from the websites noted below.

Many of the criteria can be found online on the [Census Bureau's](#) website. Recipients can start by entering their community's name in the search bar and viewing the community's profile. Tables and graphics from the Census Bureau's website can be downloaded or embedded in a recipient's cost share waiver request. Recipients should use the most recent data that is collected as multiyear estimates for each of the criteria when available. Specific tables with more detailed information and other publicly available datasets beyond the community profile page for each metric are provided below.

Cost Share Waiver Criteria

A. Community Median Household Income (MHI) is less than 80% of State MHI

- MHI can be found by using the [community's profile page of the US Census Bureau – use the search function to find your community](#) and click the S1901 link in the Income and Poverty Section to find the MHI based on most recent annual Census American Community Survey (ACS) multiyear data.
- In the few cases where a local jurisdiction's MHI is not available, the surrounding county's MHI may be sufficient. The Census Bureau provides annual [5-Year Average Median Household Income data in Table B19013](#). Click on the B19013 Table, select GEOS and search under “most common geographies” select “State” and then select the relevant and enter community name in the search bar.

B. Communities with an Upper Limit of Lowest Quintile Income Less Than or Equal to the Current National Upper Limit of Lowest Quintile Income.

- The current national upper limit of Lowest Quintile Income can be found in tabular format on the [Census Bureau](#) website, by searching for “B19080 HOUSEHOLD INCOME QUINTILE UPPER LIMITS United States.”
- Communities can view their Lowest Quintile Income in tabular format on the [Census Bureau](#) website by searching by community name and “B19080 HOUSEHOLD INCOME QUINTILE UPPER LIMITS”

² EPA's Delegation of Authority 1-102, Grants and Cooperative Agreements for Water Infrastructure Projects or Other Water Resource Projects from Funds Appropriated for the State and Tribal Assistance Grant Account or the Environmental Programs and Management Account, authorizes EPA's Assistant Administrator for Water and Regional Administrators, “To approve and administer grants and cooperative agreements for water infrastructure projects or other water resource projects from funds appropriated for the State and Tribal Assistance Grant Account or the Environmental Programs and Management Account or any successor accounts, including a project authorized by Section 510 of the Water Quality Act of 1987, P.L. 100-4, 101 Stat. 7,80, EPA's FY 1991 Appropriations Act (P.L. 101-507), and any subsequent public law; and to perform other activities necessary for the effective administration of those grants and cooperative agreements.”

C. Communities with \geq 30.9% Population Living Under 200% of Poverty Level

- Community information on the population living under the poverty level can be found on the [Census Bureau website](#); communities may search by entering the community name and “S1701”.
- The US Department of Health and Human Services also provides [US Federal Poverty Guidelines](#), including a chart with percentage of poverty levels (i.e., 200%).

D. Communities with Poverty Rates Greater Than or Equal to 20%

- Percent of the poverty rate can be found on [a community’s profile page provided by](#) the Census Bureau. Communities should ensure the most recently available multiyear data is selected.
- More detailed information can be found in [Table S1701: Poverty Status in the Past 12 months](#).

E. Communities with \geq 11.7% Population Receiving Food Stamps/SNAP Benefits

- Communities can find the percentage of their population receiving SNAP benefits on the [Census Bureau](#) website. Select “view state and local data” to search by state and then “View Results for a County of City/Town.”

Insular Territories Projects

The non-federal cost share requirement is waived for any community projects located in the U.S. territories. This is consistent with the Omnibus Territories Act of 1977, which authorizes Departments and Agencies to award grants to Insular Territories, such as the U.S. Virgin Islands, without a match requirement.

Tribal Projects

Consistent with the implementation of the Clean Water Indian Set-Aside Grant Program under Clean Water Act (CWA) Section 518 and the Drinking Water Infrastructure Grants Tribal Set-Aside Program under Safe Drinking Water Act (SDWA) Section 1452(i), which do not require tribal cost share, EPA will waive the non-federal cost share for tribal community projects.

Appendix A: Statutory Language

The Consolidated Appropriations Act, 2023,³ contains the following provision:

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, \$4,480,428,000, to remain available until expended, of which— (1) \$1,638,861,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act; and of which \$1,126,101,000 shall be for making capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act: Provided, That \$863,108,642 of the funds made available for capitalization grants for the Clean Water State Revolving Funds and \$609,255,899 of the funds made available for capitalization grants for the Drinking Water State Revolving Funds shall be for the construction of drinking water, wastewater, and storm water infrastructure and for water quality protection in accordance with the terms and conditions specified for such grants in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act) for projects specified for “STAG—Drinking Water SRF” and “STAG—Clean Water SRF” in the table titled “Interior and Environment Incorporation of Community Project Funding Items/Congressionally Directed Spending Items” included for this division in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act), and, for purposes of these grants, each grantee shall contribute not less than 20 percent of the cost of the project unless the grantee is approved for a waiver by the Agency[.]

The aforementioned “explanatory statement”⁴ accompanying the Consolidated Appropriations Act, 2023, states:

The bill provides \$4,480,428,000 for the State and Tribal Assistance Grants program and includes the following specific funding levels and direction: Community Project Funding Items/Congressionally Directed Spending Items. -From within funds provided for capitalization grants for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, the Committees recommend \$863,108,642 from the Clean Water SRF and \$609,255,899 from the Drinking Water SRF be for Community Project Funding/Congressionally Directed Spending grants for the construction of drinking water, waste-water, and storm-water infrastructure and for water quality protection. The Agency is directed to follow the guidance in the joint explanatory statement accompanying Public Law 117-103.⁵

³ P.L. 117-328.

⁴ Explanatory Statement Explanatory Statement for Division G of P.L. 117-328.

⁵ Consolidated Appropriations Act, 2022

The Consolidated Appropriations Act, 2022,⁶ contains the following provision:

Provided, That \$443,639,051 of the funds made available for capitalization grants for the Clean Water State Revolving Funds and \$397,766,044 of the funds made available for capitalization grants for the Drinking Water State Revolving Funds shall be for the construction of drinking water, wastewater, and storm water infrastructure and for water quality protection in accordance with the terms and conditions specified for such grants in the explanatory statement [discussed below] . . . for projects specified for “STAG—Drinking Water SRF”, “STAG—Clean Water SRF”, and “STAG—Drinking Water SRF; Clean Water SRF” in the table titled “Interior and Environment Incorporation of Community Project Funding Items/Congressionally Directed Spending Items” included for this division in the explanatory statement . . . , and, for purposes of these grants, each grantee shall contribute not less than 20 percent of the cost of the project unless the grantee is approved for a waiver by the Agency[.]

The aforementioned “explanatory statement”⁷ accompanying the Consolidated Appropriations Act, 2022, states:

Community Project Funding Items/Congressionally Directed Spending Items.—From within funds provided for capitalization grants for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, the Committees recommend \$443,639,051 from the Clean Water SRF and \$397,766,044 from the Drinking Water SRF be for Community Project Funding/Congressionally Directed Spending grants for the construction of drinking water, waste-water, and storm-water infrastructure and for water quality protection. Each project shall provide not less than 20 percent matching funds from non-Federal sources, unless approved for a waiver. Applicable Federal requirements that would apply to a Clean Water State Revolving Fund or Drinking Water State Revolving Fund project grant recipient shall apply to a grantee receiving a CPF grant under this section. The Committees note that the following funding sources are to be treated as non-Federal funds and can be used to meet the non-Federal matching fund requirement: U.S. Department of Housing and Urban Development, Community Development Block Grant program; U.S. Department of Agriculture, Rural Development Program; and Appalachian Regional Commission grants. Funding made available to jurisdictions through the American Rescue Plan Act of 2021 (P.L. 117–2) are considered Federal funds and may not be applied towards the non-Federal cost share requirement. A detailed list of projects is in the table titled “Interior and Environment Incorporation of Community Project Funding Items/Congressionally Directed Spending Items.”

⁶ P.L. 117-103

⁷ Explanatory Statement for Division G of P.L. 117-103