Regional Allocation Formulas for Non-Competitive Tribal Drinking Water Infrastructure Grants:

An Amendment to the Drinking Water Infrastructure Grants – Tribal Set-Aside Program Revised Guidelines
U.S. Environmental Protection Agency

Effective: June 28, 2023

Summary

This amendment to the December 2013 Drinking Water Infrastructure Grants – Tribal Set-Aside (DWIG-TSA) Program Revised Guidelines, provides information about changes to the allocation formula used to distribute the DWIG-TSA program funds and provides allocation formulas for other tribal water infrastructure grant programs, as noted in the sections below. EPA's Office of Ground Water and Drinking Water (OGWDW) uses allocation formulas to distribute non-competitive tribal drinking water infrastructure funds among the EPA Regions (Regions) with federally recognized tribes (all ten Regions as of FY2021). This amendment does not impact the total amount of funds that are available for tribal water infrastructure programs nationwide, rather details how these funds are distributed among Regions.

The formulas summarized in this document are used for distributing funds to the Regions for the following tribal grant programs: All DWIG-TSA programs, Small, Underserved, and Disadvantaged Communities (SUDC) Tribal Grant Program (also known as WIIN 2104) and the Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) Tribal Grant Program.

Background

Historically, the formula used to allocate DWIG-TSA and Tribal SUDC funds designated 2% of the available funds to each Region as a base before allotting the remaining 80% according to each Region's tribal drinking water needs. EPA Regions have vastly different numbers of tribal water systems, with varying degrees of infrastructure needs. Therefore, the standardized distribution of 2% base resulted in an inequitable distribution of funding that left some tribal water systems with the greatest infrastructure needs with insufficient water infrastructure funding.

Additionally, the Bipartisan Infrastructure Law (BIL) created two new funding programs under the DWIG-TSA: 1) a program for conducting service line inventories and lead service line replacements (LSLR) and 2) a program for addressing emerging contaminants (EC). The BIL also established and appropriated funds for a third new grant program known as the Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) Tribal Grant Program. The existing DWIG-TSA allocation formula was not designed to consider funding needs associated with LSLR and EC and was therefore an inadequate tool for distributing these funds.

To ensure a more equitable distribution of tribal drinking water infrastructure funds, in 2022, EPA began efforts to develop a set of new allocation formulas that more accurately reflect tribal drinking water infrastructure needs. To support the development of these allocation formulas, the EPA sought input from tribal stakeholders to better understand tribal priorities with respect to the distribution of tribal

drinking water infrastructure funds to Regions. A tribal consultation was held between January 31 and May 2, 2022, during which tribal representatives provided comments in written and verbal form.

As a result of this effort and feedback from Regions, modifications to the existing formula and new formulas for allocating funds have been developed and are summarized below:

The modified tribal allotment formula is used to distribute funds to the following programs:
- Drinking Water Infrastructure Grants – Tribal Set-Aside (DWIG-TSA) Base Funding
- DWIG-TSA Bipartisan Infrastructure Law General Supplemental
- Small, Underserved, and Disadvantaged Communities (SUDC) Tribal Grant Program (also known as WIIN 2104)

Two new formulas are proposed for distributing funds to the following programs:
- DWIG-TSA Lead Service Line Replacement
- DWIG-TSA Emerging Contaminants
- Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) Tribal Grant Program

Allocation formulas

Following the tribal consultation, EPA developed the following three formulas to determine allocations of funds to EPA Regional Offices for tribal infrastructure grant programs: the General Eligibilities Formula, the Emerging Contaminants Formula, and the Lead Service Line Replacement Formula. These formulas are used to allocate funding to Regions each time funds are released from applicable grant programs. Each formula is specific to certain grant programs, or parts of grant programs, as discussed in detail below.

General Eligibilities Formula

This formula is used to allocate funds for the following tribal drinking water grant programs:
1. Drinking Water Infrastructure Grants – Tribal Set-Aside (DWIG-TSA) Base Funding
2. DWIG-TSA Bipartisan Infrastructure Law General Supplemental
3. Small, Underserved, and Disadvantaged Communities (SUDC) Tribal Grant Program

The General Eligibilities allocation formula has three factors to determine Regional allocations of funds:

- 2.5% of total appropriations are allocated across Regions evenly. This provides 0.25% of total tribal appropriations to each Region; AND

- 48.75% of available funds is allocated to Regions based on the proportion of tribal infrastructure needs in each Region identified through EPA's national Drinking Water Infrastructure Needs Survey and Assessment (DWINSA). This is calculated by dividing the DWINSA tribal funding needs in a given Region by the total national DWINSA tribal funding needs; AND

- 48.75% of available funds is allocated to Regions based on the proportion of tribal infrastructure needs in each Region identified annually by the Indian Health Service (IHS) Sanitary Deficiency System (SDS). This is calculated by dividing the needs identified in the SDS in a given Region by the total national needs identified in the SDS.

The General Eligibilities allocation formula is provided below, noted as Formula 1:

Formula 1.

$$\text{DWIG-TSA GENERAL ALLOCATION FUNDING FORMULA}$$

$$\text{Region A} = \text{Annual Appropriation} * \left[\begin{array}{l} (0.0025) + \left(0.4875 * \left(\frac{\text{Region A Tribal DWINSA Need}}{\text{Total Tribal DWINSA Need}} \right) \right) + \\ \left(0.4875 * \left(\frac{\text{Region A SDS Need}}{\text{Total SDS Need}} \right) \right) \end{array} \right]$$

Emerging Contaminants Formula

This formula is used to allocate funds for the following tribal drinking water grant programs:
1. DWIG-TSA Bipartisan Infrastructure Law Emerging Contaminants Funds
2. Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) Tribal Grant Program

The Emerging Contaminants allocation formula has two factors to determine the Regional allocations of funds for addressing emerging contaminants in tribal drinking water:

- 80% of total available funds is allocated to Regions based on the proportion of tribal public water system (PWS) in each region, which is calculated by dividing the number tribal PWS in the region by the total number of PWS nationwide; AND

- 20% of total available funds is allocated to Regions based on the proportion of large (serving over 3,300 individuals) tribal PWS in each region, which is calculated by dividing the number of large PWS in the region by the national total.

Notes on this formula: The needs identified in the DWINSA and the SDS do not account for emerging contaminants. Therefore, it cannot be assumed that emerging contaminant infrastructure needs will follow a similar pattern to the needs identified through our existing sources. Given these uncertainties, this formula was designed to allocate emerging contaminant-specific funding based on the number of tribal water systems in each Region, with more funding given to Regions with large systems. Larger water systems will likely have greater needs associated with sampling and infrastructure improvements if emerging contaminants are discovered.

The Emerging Contaminants allocation formula is shown below, noted as Formula 2:

Formula 2.

EMERGING CONTAMINANTS FUNDING FORMULA

$$\text{Region A} = \text{BIL EC Annual Amt.} * \left[\begin{array}{c} \left(.8 * \left(\dfrac{\text{Number of Region A Tribal PWS}}{\text{Total Number of Tribal PWS}}\right)\right) \\[2ex] + \left(0.2 * \left(\dfrac{\text{Number of Region A Tribal PWS serving} > 3{,}300 \text{ people}}{\text{Total Number of Tribal PWS serving} > 3{,}300 \text{ people}}\right)\right) \end{array} \right]$$

Lead Service Line (LSL) Replacement Formula

This formula is used to allocate funds for the following tribal drinking water grant program:
- DWIG-TSA Bipartisan Infrastructure Law Lead Service Line Replacement Funds

The Lead Service Line Replacement allocation formula uses two factors to determine Regional allocations of funds:

- **Identified LSL Replacement Needs:** The percentage of tribal public water systems across the country with completed service line inventories multiplied by the Region's proportion of identified needed individual LSL replacements relative to the total number of identified needed individual LSL replacements nationwide; AND

- **LSL Inventorying Needs:** The percentage of tribal water systems that don't have a complete service line inventory multiplied by the proportion of un-inventoried individual service connections in the Region relative to the total number of individual, un-inventoried service connections nationwide.

Notes on this formula: This formula starts with the assumption that each service line will need to be inventoried. However, as more information is collected through inventories, funding will be shifted towards areas with more identified lead service lines in need of replacement.

The Lead Service Line Replacement allocation formula is shown below, noted as Formula 3:

Formula 3.

LSL INVENTORY AND REPLACEMENT FUNDING FORMULA

$$\begin{aligned} \text{Region A} = \text{ } & \text{BIL LSLR Annual Amt.} \\ & * \left[\left(\% \text{ of Tribal PWS with complete inventories} * \left(\dfrac{\text{Number of Region A LSL Replacements Needed}}{\text{Total Number of Tribal LSL Replacements Needed}}\right)\right) \right. \\ & \left. + \left(\% \text{ of Tribal PWS without inventories} * \left(\dfrac{\text{Number of Region A Uninventoried Tribal Service Connections}}{\text{Total Number of Uninventoried Tribal Service Connections}}\right)\right) \right] \end{aligned}$$