



# RECOMMENDATIONS TO **IMPROVE THE STORMWATER PROGRAM IN THE U.S.** 2025



**Water Environment  
Federation**  
the water quality people®



**nmsa**  
National  
Municipal  
Stormwater  
Alliance



# This fact sheet describes important actions the Federal Government can take to assist local communities and utilities to protect surface water and public safety in the US.

## 1. FUNDING FOR COMMUNITY STORMWATER INFRASTRUCTURE

**Request:** In the FY26 Budget, fully fund stormwater programs to protect communities and prevent flood disasters.

Local and regional stormwater infrastructure remains critical to protecting communities, helping them grow, reducing flood risk, ensuring adequate water supplies, and restoring recreational and ecosystem uses. However, stormwater funding is far below the levels necessary to achieve these goals. The 2022 Clean Watershed Needs Survey identified a stormwater management need of over \$115.3 billion, a 385% increase over the 2012 survey results. Flood events, aging infrastructure, and lack of runoff controls have led to catastrophic losses. In 2024, the United States experienced 24 weather-related disaster events with losses exceeding \$1 billion, 17 of which were severe storms like Hurricanes Helene and Milton.

Federal stormwater funding programs provide the most critical and substantial source of support for communities to make investments to repair, maintain, and improve their stormwater infrastructure. We urge Congress to provide the following funding in the Fiscal Year 2026 budget:

- **\$3.25 billion** for the Clean Water State Revolving Fund, as it is authorized to receive in FY26
- **\$280 million** for Sewer Overflow and Stormwater Reuse Municipal Grants (OSG) program.
- **\$80 million** for the Water Infrastructure Financing & Innovation Act (WIFIA). (33 U.S. Code § 1301)
- **\$5 million** for the Centers of Excellence for Stormwater Control Infrastructure Technologies (CESCITs). (33 U.S. Code § 1302f(a))
- **\$10 million** for community planning and implementation grants for stormwater or watershed-based planning investments. (33 U.S. Code § 1302f(c))

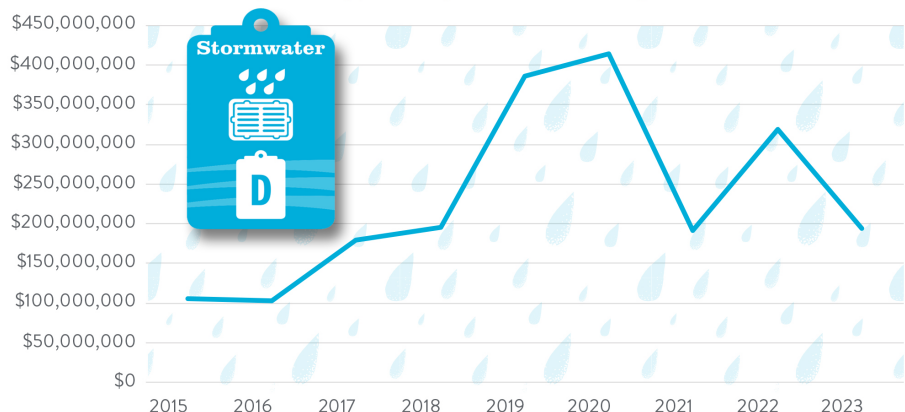
- **\$25 million** for the Clean Water Infrastructure Resiliency and Sustainability Program. (33 U.S. Code § 1302a)
- **\$25 million** for the Alternative Source Water Pilot program, including stormwater capture. (33 U.S. Code § 1300)
- **\$10 million** for the Small & Medium Publicly Owned Treatment Works (POTW) Circuit Riders Technical Assistance, including stormwater management. (33 U.S. Code § 1302b)
- **\$5 million** to complete the EPA's biennial Clean Watershed Needs Survey Report to Congress. (33 U.S. Code § 1375)

### Centers of Excellence for Stormwater Control Infrastructure Technologies (CESCITs)

- CESCITs promote market-based solutions for stormwater and flood management through cooperative federalism.
- CESCITs create national leadership to guide federal, state, and local stormwater management and policymaking.
- CESCITs guide communities in selecting effective multi-benefit stormwater solutions.

### ASCE AMERICAN SOCIETY® OF CIVIL ENGINEERS 2025 INFRASTRUCTURE REPORT CARD [www.infrastructurereportcard.org](http://www.infrastructurereportcard.org)

Change Over Time in the Amount of Federal Funding for Stormwater Infrastructure Projects Supported by the CWSRF Program



Source: U.S. Environmental Protection Agency, "Clean Water SRF Program Information National Summary," 2023



## 2. SUPPORT MARKET-BASED APPROACHES FOR COST-EFFECTIVE STORMWATER MANAGEMENT

**Request:** *Develop permitting and funding policies that encourage and incentivize using market-based approaches to address stormwater permitting requirements and advance related community goals.*

Stormwater managers face unique, daunting challenges that make it difficult to implement adequate stormwater controls.

To address these challenges, communities are increasingly using market-based approaches that allow for some or all management and/or treatment of stormwater runoff to be provided at locations where site-specific issues are not as limiting or opportunities for expanded involvement of other land managers (private entities) in stormwater control are available. Market-based approaches like stormwater offset, credit trading, and fee-in-lieu programs enable more cost-effective stormwater infrastructure investments beyond just the public right-of-way and in new development areas. In addition, market-based procurement methods like pay-for-performance (PFP) contracting and community-based public-private partnerships (CBP3s) can harness the private sector's creativity to yield more cost-effective stormwater infrastructure solutions. Many current stormwater permits and infrastructure financing programs (like the State Revolving Fund) do not support market-based approaches. Congress should ensure that regulatory and funding programs enable market-based approaches to stormwater project implementation. Signaling support for using approaches like credit trading (including, but going beyond, nutrient trading), PFP project contracting, and CBP3s will expand the stormwater management tools available to public agencies and private landowners. Reducing barriers to innovative frameworks would unlock many high-value, multi-purpose, and cost-efficient investments that protect water quality and create other valuable urban benefits.



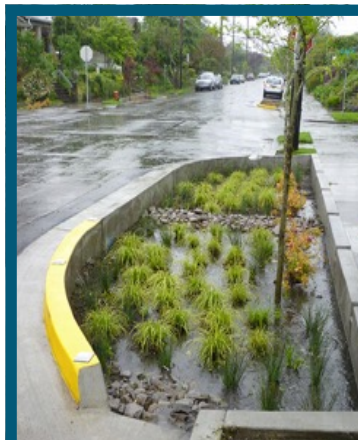
**More rainfall and more intense rainfall is devastating stormwater infrastructure causing communities to incur significant repair costs.**



## 3. Streamline Permitting Process

**Request:** *Direct the EPA to provide new guidance for Phase I and Phase II stormwater NPDES permits, incorporating the knowledge and understanding gained in program implementation to streamline permit requirements and improve program efficacy.*

The Phase I and II NPDES stormwater programs have existed for about 30 years. These programs were initially envisioned to evolve using an adaptive structure focusing principally on activity-based requirements. This approach has resulted in a disparate collection of continuously aggregated program elements. When new program requirements are added, older, often ineffective ones are rarely removed or modified.



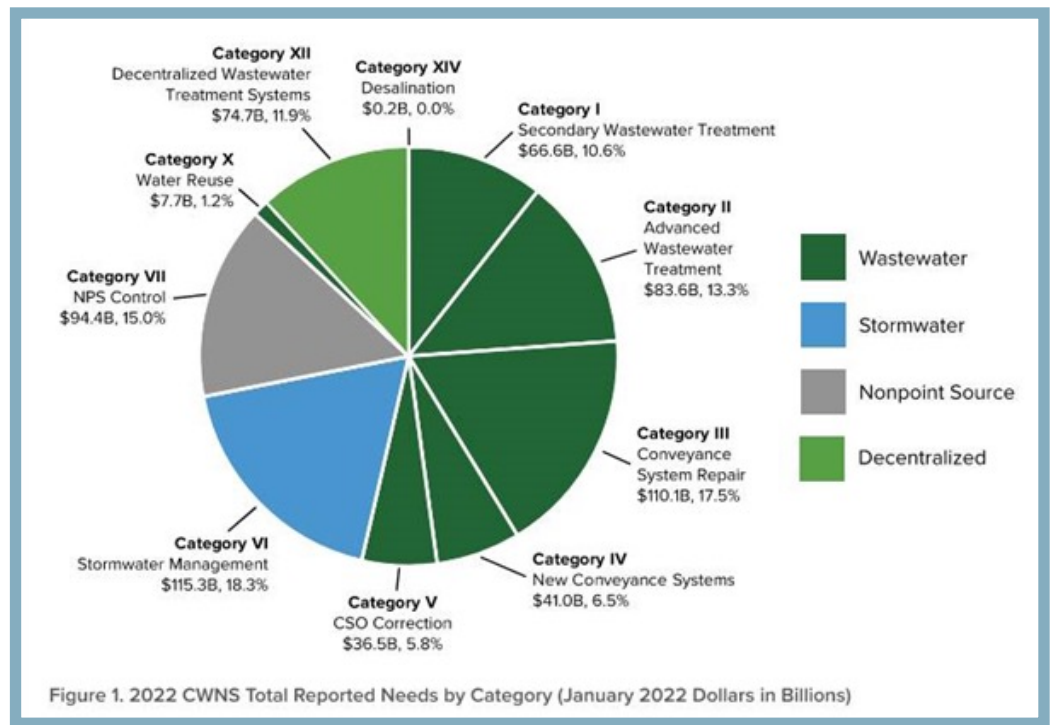
**(City of Portland, OR)**



**(American Legion Bridge storm drain outfall)**



Progress in improving stormwater quality has recently stalled: Outmoded approaches and metrics hinder contemporary MS4 stormwater program performance and increase program costs as compared to a streamlined program. The regulatory structure is challenging to change due to the varied interpretations by states of anti-backsliding provisions and the threat of citizen lawsuits. Decades-old EPA permitting guidance has exacerbated the proliferation of permitting approaches and contributed to the aggregation of permit requirements over time. MS4 program elements that could be significantly improved include monitoring, reporting, public education, involvement, and permit compliance.



**The 2022 Clean Watershed Needs Survey identified a stormwater management need of over \$115 billion, a 385% increase over the 2012 survey results.**

In collaboration with States, municipalities, and industry leaders, the EPA should develop new stormwater permitting guidance incorporating a lean model permit framework based on current understandings and strategies for effective MS4 stormwater implementation and compliance. This guidance should emphasize the importance of eliminating outmoded, ineffective measures and stress the need to incorporate current activity and water quality monitoring strategies, tracking and reporting approaches, and stormwater control requirements addressing:

- construction runoff controls
- illicit discharge detection
- public education and involvement
- post-construction runoff controls
- system inspections and maintenance

The guidance relative to water quality-based controls should reflect the U.S. Supreme Court decision *San Francisco v. EPA* (75 F. 4th 1074, reversed and remanded, March 4, 2025) concerning the specificity of permit limits and address the need to ensure that narrative practice-based approaches are validated and are within the realistic capacity of municipalities to achieve. Finally, the guidance should incentivize the creation of multiple benefit stormwater solutions that include water supply augmentation, flood control, and infrastructure resilience. This permit structure '2.0' could be developed with support from the Centers of Excellence for Stormwater Infrastructure Technologies (CESITs), recently authorized by Congress and supported through appropriated FY25 funding.

### Water Environment Federation

[www.wef.org](http://www.wef.org)

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### National Municipal Stormwater Alliance

<http://ms4nmsa.org>

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