

Streamlining Section 219 Environmental Infrastructure

Delivering Results and Maximizing Every Federal Dollar

Background

Section 219 of the *Water Resources Development Act of 1992* authorizes the U.S. Army Corps of Engineers to assist local governments with water-related environmental infrastructure projects, including drinking water, wastewater, stormwater, and environmental restoration. However, unlike many other Corps environmental infrastructure authorities, Section 219 currently limits the Corps to providing assistance only through federal procurement. This means the Corps must directly manage design, contracting, and construction for all Section 219 projects, even when local governments are better positioned to deliver the work more quickly and at lower cost.

The Issue

Under current law, USACE must act as the construction manager for Section 219 projects regardless of local capacity. This statutory limitation also creates:

- Unnecessary project delays or cancellations because Corps staff lack administrative capacity
- Increased costs due to federal procurement requirements, premiums, and overhead
- Inability to efficiently obligate Congressionally appropriated funds

The Solution: Authorize Reimbursement Payments

A simple statutory fix would allow the federal share of Section 219 project costs to be provided in the form of reimbursements to non-federal project sponsors for non-federal project expenditures. This approach is authorized and successfully used under other Corps environmental infrastructure programs on a regional, state, and multi-state basis. Most recently, the *Water Resources Development Act of 2024* authorized five new regional or multi-state Environmental Infrastructure programs, each of which expressly allows federal assistance through grants or reimbursements.

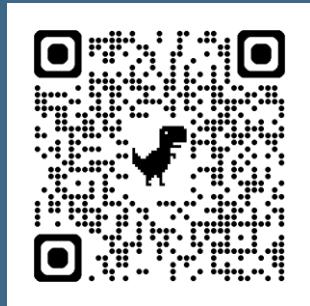
Why This Works

- **Lower Federal Costs:** Local governments routinely deliver infrastructure projects at lower cost than federal procurement allows, using existing local contractors, competitive pricing, and streamlined delivery methods.
- **Reduced Corps Administrative Burden:** Allowing reimbursements eliminates the need for the Corps to manage every construction contract, freeing Corps staff to oversee more projects without direct project management.
- **Faster Project Delivery:** Non-federal sponsors can move quickly using shovel-ready designs and existing contracting vehicles, removing months or years of delay.
- **More Projects for the Same Funding:** By avoiding federal cost premiums and capacity bottlenecks, Congressional appropriations translate into more completed projects rather than sitting unobligated.
- **Alignment with Established Practice:** Many Corps environmental infrastructure authorities already allow grants and reimbursements. This update aligns Sec. 219 with proven, bipartisan, fiscally responsible delivery models.

Proposed Amendment

Section 219 of the Water Resources Development Act of 1992, as amended, is further amended to redesignate subparagraph (d) as subparagraph (e) and insert a new subparagraph (d) as follows:

(d) Reimbursements – For projects, or separable elements of projects, for which assistance is provided under this section, the Federal share may be in the form of reimbursements of non-Federal project costs.



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