

ADVANCING ONE WATER IN THE STATES

**How States Can Lead on Water:
The Critical Role of Innovative
Funding and Public Awareness**



US Water
Alliance

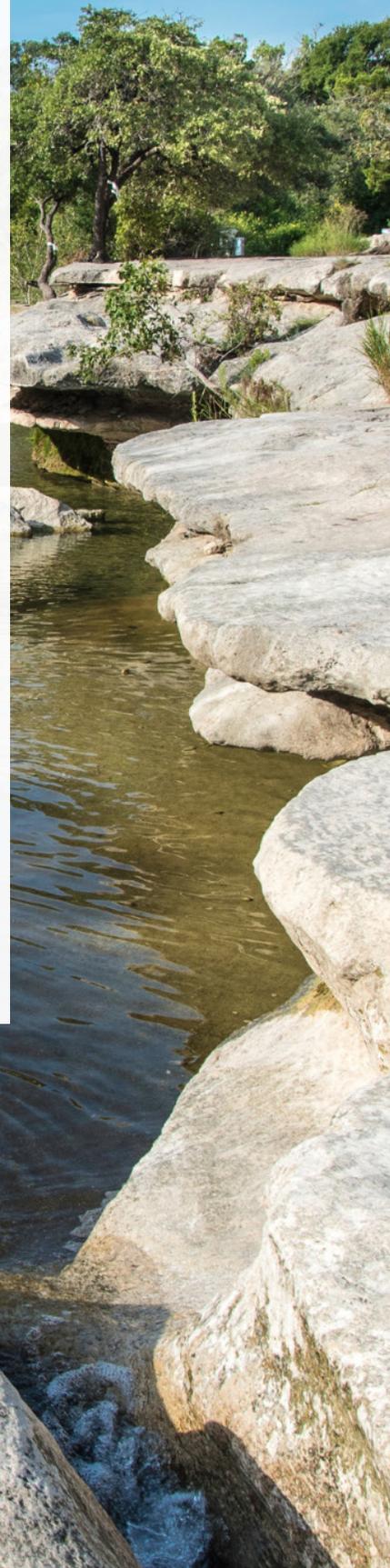
Value of Water
CAMPAIGN

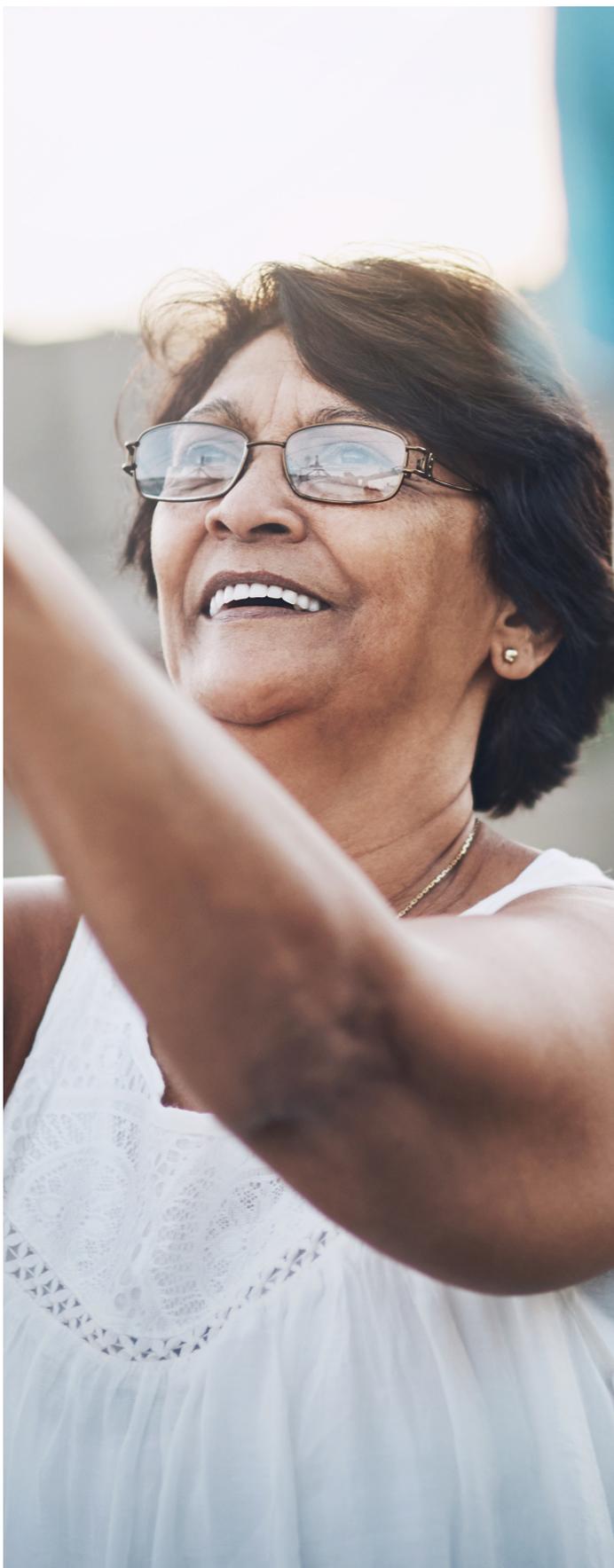
AT A GLANCE: HOW STATES CAN LEAD ON WATER

- **Reliable water infrastructure** is critical for healthy communities, robust economies, and environmental stewardship.
- States face significant **water infrastructure challenges** including aging systems, funding shortfalls, and increasingly severe weather that disrupt water services.
- Through **leveraging funding sources and financing tools**, states can ensure the long-term reliability of water systems and thriving communities.
- **Public awareness campaigns** help bolster support for water investments and contribute to successful policy implementation.
- **Policy successes** in Texas demonstrate how statewide water public awareness and funding initiatives can bridge the water infrastructure funding gap and help secure sustainable water solutions for all.

This policy brief offers actionable strategies, highlights state examples, and underscores the need for public engagement and awareness campaigns to inspire and support states and localities in adopting innovative funding solutions.

The US Water Alliance and the Value of Water Campaign thank the Cynthia and George Mitchell Foundation for supporting this work. We also extend our gratitude to our network partners, especially those working at the state-level in Texas and across the nation to build support for water infrastructure funding and public awareness efforts.





Introduction

Safe, secure, and reliable water, wastewater, and stormwater systems are vital for public health, economic development, and environmental stewardship. Multiple levels of government are responsible for the policies that support and protect water infrastructure. State policymakers have a crucial role in ensuring that these water systems receive the funding and regulatory support necessary to ensure the nation's water infrastructure effectively serves communities across the country.

To secure water into the future, water systems must continue to leverage federal, state, and local funding for maximum impact. Historically, water systems or utilities have utilized a combination of ratepayer dollars and state revolving funds (or similar mechanisms) to support local and regional infrastructure projects. Looking beyond traditional funding to diversify the resources available for water infrastructure is key to helping close the funding gap.

Currently, the historic funding in the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA) provides an opportunity to address water infrastructure investment gaps. However, this federal funding is only a piece of addressing a much bigger long-term need. Continued investment in water is necessary to promote sustained economic growth, protect jobs, increase household savings, improve public health, and ensure viability for water-reliant industries.

The Need for State Funding Solutions

Across the nation, water infrastructure systems face mounting challenges. Aging infrastructure is a critical issue, with many of the nation's water systems built over half a century ago. Many states report failing pipes, outdated treatment facilities, and increased risks of contamination. For example, water main breaks in the US occur approximately every two minutes, leading to billions of gallons of water loss annually and significant disruptions to homes and businesses.ⁱ

Drought, flooding, and severe weather impacts have introduced another layer of complexity to long-term water management. For example, in Texas and western states, ongoing challenges with drought have highlighted the urgent need to invest in modern infrastructure that can adapt to changing conditions. With recent data from the US Drought Monitor, these concerns are increasing across the country.

Funding shortfalls exacerbate these problems. Federal investments provide essential support but cover only a fraction of long-term needs. While recent increases

in federal funding have been significant, projections indicate this level of funding is insufficient to meet the pressing short- and long-term infrastructure needs. According to the Value of Water Campaign's [*Bridging the Gap: The Power of Investment in Water*](#) report, the annual water infrastructure funding gap was \$91 billion in 2024. States must explore additional funding sources and strategies to support local water systems.

State governments often struggle to fill this gap due to budget constraints and competing priorities. Additionally, rural and underserved communities face unique challenges such as limited financial and technical resources—further impeding progress. Through state-level policy innovations and robust public awareness efforts, communities can tackle these challenges, ensuring the long-term viability of local water systems and communities for generations to come.

Damaged house from a hurricane in Galveston, TX



State Opportunities to Fund Water

States can develop approaches both to better deploy federal funding and implement innovative funding mechanisms for water projects. To ensure effective and durable policy solutions, these kinds of policies can be informed by regional planning processes, as well as robust community and stakeholder engagement, and can be bolstered by effective public education and awareness campaigns. Successful policy implementation also requires coordination across multiple levels of government (e.g., local, state, Tribal, and federal).

Establishing Dedicated Funds for Water

With established institutions, trusted processes, and effective structures in place, states can position themselves to leverage funding and drive water solutions.

Having established funds at the state level can help manage and quickly distribute new sources of funding. For example, starting in 2021, Coronavirus State and Local Fiscal Recovery Funds authorized by the American Rescue Plan Act (ARPA) became available for water and wastewater infrastructure. According to an analysis from The Pew Charitable Trusts, states spent over \$20 billion of their recovery fund allocations on water infrastructure projects, and further analysis of local government spending increases this total even more.ⁱⁱ

Some states were able to employ existing mechanisms to distribute federal sources of funding, and other states created new funds for this purpose. Examples of recently established state water funds include:

- **Iowa Water Infrastructure Fund:** In December 2021, the governor [announced](#) \$75 million from federal recovery funds (i.e., ARPA) for water infrastructure. This fund was created as a new grant program within the Iowa Finance Authority.
- **New Mexico Match Fund:** In 2024, the state legislature enacted [House Bill 177](#) with unanimous support and backing from the governor. With an

initial \$75 million in funding, this fund will help leverage federal funding by providing a source of matching funds for state, Tribal, and local entities.

- **Texas Water Fund:** In 2023, voters approved [Proposition 6](#), which amended the state constitution and allocated \$1 billion for water needs, emphasizing long-term solutions. (See the following “Spotlight on Texas” for more details.)
- **Utah Water Infrastructure Fund:** In 2024, the state legislature enacted [House Bill 280](#), establishing a dedicated fund that redirected state budget surpluses and emphasized drought resilience and the development of sustainable water sources.

While dedicated state funds can be used to leverage federal recovery funds, these funds also demonstrate the significant role states can play in providing longer-term solutions. Allocating additional state funding will allow water systems and communities to access resources and align planning with other processes like land use and resiliency efforts that can address needs unique to each state.

SPOTLIGHT ON TEXAS

Texas' growing population and increasing susceptibility to drought have placed mounting pressure on the state's water resources. Increasingly, Texas policymakers, water managers, and community members understand the importance of new and innovative solutions to ensure reliable and durable statewide water systems. With 77.6 percent voter approval, Texas Proposition 6 in 2023 has set the stage for continued transformation in water infrastructure funding and public awareness.

Notable components of Proposition 6 include:

- **Texas Water Fund:** Now part of the Texas Constitution, this fund enables the state to channel significant resources toward addressing critical water needs. The Texas Water Development Board (TWDB) is tasked with establishing rules for fund allocation, ensuring resources are directed toward high-priority projects. To ensure the funds are used effectively and equitably, the legislation directs TWDB to develop criteria to send resources to historically underserved communities and prioritize projects that enhance resiliency against droughts and floods.
- **Investment in the New Water Supply for Texas Fund:** At least 25 percent of the Texas Water Fund is allocated to supporting innovative water supply projects.
- **Funding for a Statewide Public Awareness Campaign:** TWDB will direct funding towards a program to educate the public on the importance of water conservation and infrastructure investment.
- **Regional and Local Collaboration:** Proposition 6 also encouraged continued partnerships between the state, regional water planning groups, and local governments.
- **Leveraging Federal Funding:** The Texas Water Fund positions the state to better access federal

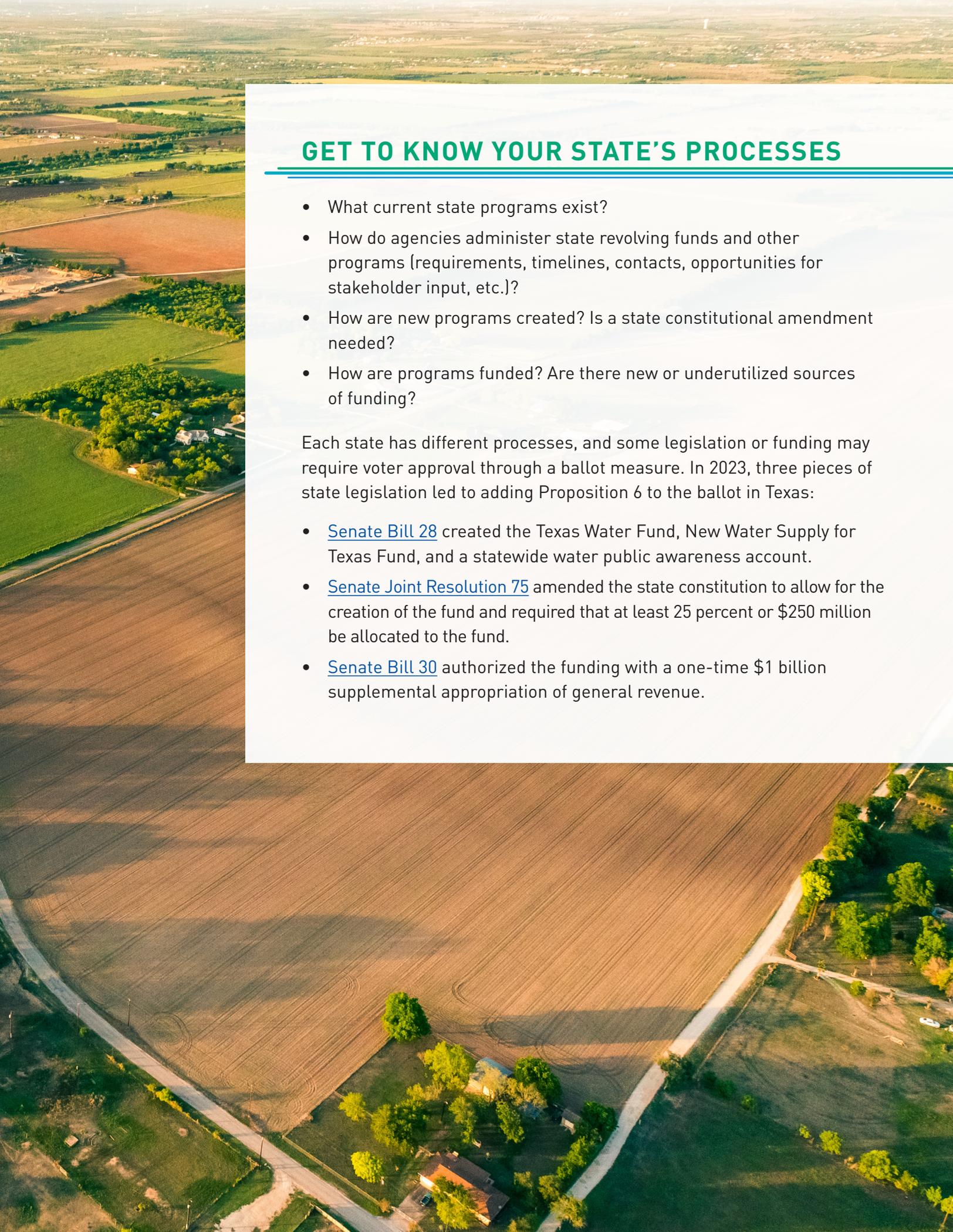
resources under programs like the Water Infrastructure Finance and Innovation Act (WIFIA).

Further, \$1 billion in budget surplus funds represented a down payment to address the [estimated](#) over \$150 billion in water infrastructure needs in Texas between now and 2070.

While the state is in the early stages of implementation, the successful passage of Proposition 6 in 2023 can provide insights into the factors needed to advance state policy. Texas built upon multiple decades of evolution in its water policy and statewide processes, including the state water plan's regional planning processes.

The broad support for water funding did not happen overnight but rather has built on a deeper process of regional collaboration, cross-sector partnerships, public education, and leadership. For example, the [Texas Living Waters Project](#) was formed in 2001 to support collaboration among conservation organizations and their engagement in the development of the 50-year state water plan. This project has continued and evolved into a broader collaboration platform, among others that are working to address the state's water policy needs. Following the 2011 drought, Texas water stakeholders engaged in the [Water Grand Challenges](#), which launched in 2012. This stakeholder engagement also led to the development of the State Water Implementation Fund (SWIFT). In 2013, voters approved a statewide ballot measure to create SWIFT and allocate \$2 billion to finance projects in the state water plan.

Strong partnerships and support from philanthropy have been key to the success of water policy development and implementation in Texas. Further study could provide insights into the roles and development of cross-sector partnerships and philanthropy, as well as fostering state policy champions.

An aerial photograph of a rural landscape. In the foreground, there is a large, brown, tilled field with visible tire tracks. To the right, a paved road curves around a small cluster of green trees and a house with a brown roof. Further back, there are more green fields, some with trees, and a small farmstead. The background shows a vast, flat landscape under a clear sky, with some distant structures and a wind turbine visible on the horizon.

GET TO KNOW YOUR STATE'S PROCESSES

- What current state programs exist?
- How do agencies administer state revolving funds and other programs (requirements, timelines, contacts, opportunities for stakeholder input, etc.)?
- How are new programs created? Is a state constitutional amendment needed?
- How are programs funded? Are there new or underutilized sources of funding?

Each state has different processes, and some legislation or funding may require voter approval through a ballot measure. In 2023, three pieces of state legislation led to adding Proposition 6 to the ballot in Texas:

- [Senate Bill 28](#) created the Texas Water Fund, New Water Supply for Texas Fund, and a statewide water public awareness account.
- [Senate Joint Resolution 75](#) amended the state constitution to allow for the creation of the fund and required that at least 25 percent or \$250 million be allocated to the fund.
- [Senate Bill 30](#) authorized the funding with a one-time \$1 billion supplemental appropriation of general revenue.

The Role of Statewide Public Awareness Campaigns

Public support is critical to addressing these challenges and garnering support for continued and new water investment policies and funding mechanisms. Education campaigns inform communities about the importance of water systems and build support for investments. Public engagement also helps prioritize water infrastructure in policy discussions, enabling governments to implement innovative funding mechanisms like dedicated state water funds.

While national campaigns and dialogue on water are important, state-level campaigns also have an important role to play. Each state faces different challenges and may have unique policy questions to prioritize. Statewide initiatives like the [Texas Runs on Water](#) campaign illustrate how targeted messaging fosters partnerships, mobilizes voters, and encourages sustainable water use. Texas has become a leader in developing, funding, and implementing these kinds of campaigns.

Water is a Unifying Issue

The Value of Water Campaign's [annual polling](#) has found that year after year, reliable water service continues to be a top issue for voters. In 2024, 88 percent of voters ranked this as very or extremely important—a top-three issue along with improving

the economy and reducing inflation. The poll also revealed that a majority of voters would support elected officials who advocate for water investments. State policymakers can look to these polls to help inform policy decision-making in support of infrastructure investments and sustainable and resilient systems.

Another indicator of voter support is the success of statewide ballot and bond measures. For example, in the November 2024 elections, at least four statewide water funding measures passed. The most recent election is representative of a continuing trend of water-related measures passing, often by significant margins.

Though water investment receives bipartisan support, ongoing efforts are necessary to build public support and ensure effective policy implementation. Public campaigns can serve multiple purposes including raising awareness, influencing behavioral changes, building cross-sector partnerships, and achieving policy outcomes. The value of water can be communicated and shared with the public through stories of how funding is effectively used and contributes to thriving communities. When the public understands the value of water, they are more likely to support funding and policy measures, as well as take personal action.

BALLOT AND BOND MEASURES

- Ballot and bond measures vary by state. Depending on the state, ballot measures can be a powerful way to build support for water.
- Depending on the state laws, ballot measures may either be legislatively referred or citizen-initiated. Ballot measures may make changes to the state constitution or the laws.

See resources from [The Council of State Governments](#) and the [National Conference of State Legislatures](#) for more information.

State Policy Options and Examples

States can support these kinds of campaigns by:

Allocating funding, such as general fund appropriations or alternative sources, to provide a solid financial base.



Encouraging cross-sector collaborations, like public-private partnerships, and convening forums for stakeholder interaction.



Directing state resources, such as state agency staff, to advise or manage campaigns or funding and grants to develop resources and encourage engagement.



Examples of other state public education and awareness efforts:

- **California:** During the 2014 drought, the state government initiated the statewide Save Our Water campaign to encourage water conservation through media and community outreach. Partnerships with local governments and utilities created tailored messaging and actionable steps for households.
- **Colorado:** The nonprofit Water Education Colorado has played an important role in educating state legislators and engaging the public about the state's water issues and sustainable water management. A nonprofit-led, cross-sector coalition also helped secure voter approval of Proposition DD in 2019, which allocates sports betting revenue to fund the implementation of the state water plan (e.g., watershed restoration, agricultural water efficiency, and urban stormwater management). Voters again demonstrated support for this funding with the approval of Proposition JJ in 2024.
- **New Mexico:** As part of implementing the Water Security Planning Act of 2023, the state's Interstate Stream Commission created a new campaign called [Main Stream New Mexico](#), which provides data and shares opportunities for community involvement. Some individuals are engaging with the state agency on water for the first time.
- **New Jersey:** The New Jersey Department of Environmental Protection launched the [Our Water's Worth It](#) campaign to educate the public about stormwater management and infrastructure funding. This campaign utilizes state funds and federal grants and supports collaboration with municipalities and community organizations for local outreach.
- **Utah:** In 2023, the legislature created a new nonprofit called [Utah Water Ways](#) to support collaboration across government, nonprofits, and the private sector. This effort is aimed at promoting water conservation and empowering the public to engage in water stewardship.

Awareness can lead to advocacy and enduring policy solutions with broad-based support. State policymakers can partner with community-based organizations, universities, and other local institutions to tailor messages and outreach to their communities.

Summary

Continued investment in water infrastructure offers substantial benefits including economic growth, healthy communities, and environmental resilience. State policymakers can be key actors in increasing public awareness of the value of water, funding vital water infrastructure, and addressing long-term water challenges.

Seven Recommendations for State Action:

- 1 Build cross-sector coalitions** to amplify support and a shared understanding of water policy solutions.
- 2 Engage communities** in regional planning processes and decision-making.
- 3 Ensure mechanisms are in place** to utilize federal funding and state budget surpluses.
- 4 Allocate state funding** through general appropriations and/or generate funding through innovative sources to address the water investment gap.
- 5 Build upon and be responsive** to the high levels of voter and nonpartisan support for water.
- 6 Use effective messaging**, including through state and local campaigns, to ensure that water infrastructure remains a priority for the public.
- 7 Support public awareness campaigns** and efforts to deepen understanding across each state.

Sharing best practices across states can provide examples to be tailored to local needs and policymaking processes. The success in Texas, including Proposition 6 in 2023, provides a framework for other states to follow. This successful ballot measure was built on decades of work to build public support for water and foster regional engagement across multiple levels of government. With coordinated approaches, states can address water infrastructure challenges, steward financial and environmental resources, and secure a sustainable future.



KEY TAKEAWAYS

Statewide public awareness campaigns have demonstrated their ability to:

- **Mobilize Voter Support:** Texas and Colorado leveraged public awareness to pass funding measures with significant levels of voter approval.
- **Promote Behavioral Changes:** California's campaigns led to tangible reductions in water use during crises.
- **Enhance Policy Outcomes:** New Mexico and New Jersey are using education to advance policy implementation at local and regional levels.

These examples show that well-designed public awareness programs are not just educational tools but also vital instruments for driving water policy successes and community resilience.

Resources:

US Water Alliance Resources:

[*One Water Roadmap: The Sustainable Management of Life's Most Essential Resource*](#)

The Value of Water Campaign's [2024 Value of Water Index](#)

The Value of Water Campaign's [Bridging the Gap: The Power of Investment in Water](#)

[*Messaging for Results: Communicating Critical Water Issues*](#)

Select Texas Resources:

Hill Country Alliance's and The National Wildlife Federation's [One Water Guidebook for the Texas Hill Country](#)

National Wildlife Federation's [Texas Living Waters](#)

Texas Water Development Board's [Texas Water Fund](#)

[*Texas Runs on Water Campaign*](#)

Texas 2036's [How can Texas address future water challenges?](#)

The Cynthia & George Mitchell Foundation's [Advancing One Water in Texas](#)

Notes:

¹The American Society of Civil Engineers, *Report Card for America's Infrastructure*, 2021, <https://infrastructurereportcard.org/cat-item/drinking-water-infrastructure/>.

²The Pew Charitable Trusts, "How Pandemic Recovery Funds Are Helping States Upgrade Critical Water Infrastructure," The Pew Charitable Trusts, 2024, <https://www.pewtrusts.org/en/research-and-analysis/articles/2024/06/03/how-pandemic-recovery-funds-are-helping-states-upgrade-critical-water-infrastructure>.



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