



Developing Sustainable Funding Strategies for Wetland Regulatory Programs

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Wetland regulatory programs are one of the four core elements of wetland programs, based on EPA's Enhancing State and Tribal Programs (ESTP Program). Regulatory programs require staff, systems, data management, and other components, all of which have associated costs.

Wetland programs must secure sustainable funding to support these programs in order to manage these activities consistently over time. This information sheet provides considerations for states and tribes seeking to develop sustainable funding for wetland regulatory programs.

Primary sources of funding for wetland regulatory programs:

- **Permitting Fees:** A majority of state wetland regulatory programs include some form of permitting fee. These fees are paid by the permittee to process a permit application.
- **General Fund Appropriations:** These funds come from the collection of state tax revenue. Many programs include some amount of general fund dollars to support their regulatory programs.
- **Federal Grants:** EPA's *Wetland Program Development Grants* (WPDGs) can be used to develop a regulatory program or new/enhanced elements of an existing regulatory program; however, they cannot be used to implement these activities. Wetland Program Development Grants are awarded both at the regional and the national level and have been identified as one of the primary supports for regulatory capacity building activities among states and tribes. It is important be aware, however, that WPDGs require a non-federal match. Other federal grant programs can be researched using [EPA's Funding Crosswalk](#) document.
- **Section 106 Funding:** Section 106 funding may be an option for this work, but it is largely used for funding state water quality agencies. However, the funds can be used for wetland program implementation.
- **Fees from Wetland Regulatory Violations:** Programs should be designed with an enforcement mechanism that ensures that any failure to comply with the permitting program results in a fine. These fines should be high enough to cover some program costs and any remediation that may be needed because of the compliance violation.

- **Integration and Partnerships with Other Agencies/Organizations:** Partnering with other agencies and integrating programs can help both parties save money while increasing program effectiveness.

Common Characteristics of Strong, Sustainable Regulatory Funding Programs

Most experts recommend that a state or tribe rely on a mix of funding sources, instead of just one. Some of the most sustainable regulatory programs in the U.S. include permitting fees, a percentage of general funding, and a strong reliance on EPA Wetland Program Development grants during the planning and development of key regulatory program components.

State agency regulatory program funding plans should make the economic case for a proposed regulatory budget based on:

- The estimated volume of applications (predicted into the future; including a reasonable range from high to low for the estimate);
- The amount of staff time dedicated to processing permits; and
- The political will around setting or revising fees or other allocations.

Funding Structures

Permitting fee structures can take on many different forms. Some states keep their permitting fees low and find additional sources (such as general fund dollars, conservation stamps or other programs that bring in funds). Other states have different levels of fees for different types of permittees (e.g., homeowners have low fees, but businesses have high fees). States and tribes may need to change their funding allocations or fee structures to support a changing program. Contact states directly to understand their current permitting fees and other funding sources.

Planning questions to consider internally:

- Who within the jurisdiction is paying fees and fines primarily (homeowners, developers, businesses)?
- Are the proposed fees equitable for different groups of permittees?
- Will the proposed fees cover the full costs of the regulatory program or only partial? If partial, what other sources of funding are possible?
- Will fees go to the program directly or through a general fund?
- Has the volume of permits changed over time or is it expected to change over time? If so, how will this impact your budget?
- Has the need for additional staff, equipment, supplies, or services changed over time? If so, how will this impact your budget?

Differences Between State Agencies

As a state plans its funding strategy, it is important to understand which agency or agencies will need funding to support the regulatory program and what the requirements/limitations around

funding are for each. Different agencies may be allowed to utilize different sources of funding and some have access to stronger funding options than others.

Developing Compelling Funding Justifications

An important part of developing funding sources is to develop strong justifications for staffing and program expenses, identifying adequate FTE support and justification for why this staffing is required to provide the agreed upon level of service to permittees. Regardless of funding source, states with strong programs suggest that any funding system should be developed so that funding is dedicated to the regulatory program, rather than reverting to the state's General Fund or other source.

Additional Useful Resources

- [EPA Wetland Program Development Grants](#)
- [EPA Enhancing State and Tribal Programs Website](#)
- [ASWM Wetland Program Plan Handbook](#) – Funding Chapter
- [ASWM State Summaries](#) (provides a section on funding for each state)
- [ASWM Status and Trends of State Wetland Programs](#)

For more information, contact:

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