

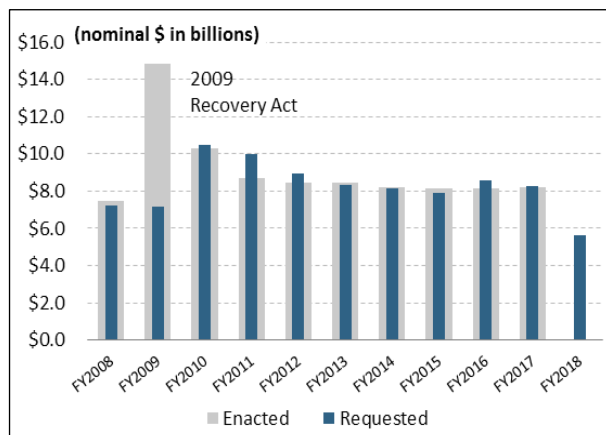
Updated August 25, 2017

# U.S. Environmental Protection Agency (EPA): FY2018 President's Budget Request

Since FY2006, Congress has funded the Environmental Protection Agency (EPA) in the Interior, Environment, and Related Agencies appropriations bill. Title II of Division G of the Consolidated Appropriations Act, 2017 (P.L. 115-31) enacted May 5, 2017, provided \$8.06 billion (after rescissions) for EPA for FY2017, \$208.7 million (2.5%) less than the FY2017 budget request. Released May 23, 2017, the President's FY2018 budget request proposed \$5.66 billion for EPA, \$2.40 billion (29.8%) less than the FY2017 enacted appropriations and \$2.61 billion (31.6%) less than requested for FY2017. (Note that the FY2018 President's budget request was prepared prior to the enactment of P.L. 115-31; thus, funding comparisons in the request and supporting documents are based on estimated FY2017 "annualized" levels associated with the continuing resolutions in effect at the time.)

Trends in requested and enacted appropriations for EPA over the past decade are shown in **Figure 1**.

**Figure 1. EPA Requested and Enacted Appropriations FY2008-FY2018**



**Source:** CRS using information from the *Congressional Record*; House, Senate, and conference reports; and EPA's FY2018 *Congressional Budget Justification*. Enacted amounts reflect rescissions and supplemental appropriations, including \$7.22 billion included for EPA in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

Funding is appropriated to EPA to support the agency's primary responsibilities under several federal environmental pollution control statutes in coordination with states. EPA also awards grants to assist delegated states and local governments to support implementation and compliance with federal requirements to control pollution.

## Authorization of Appropriations

The statutory authorization of appropriations for many of the programs and activities administered by EPA has expired, but Congress has continued to fund them through

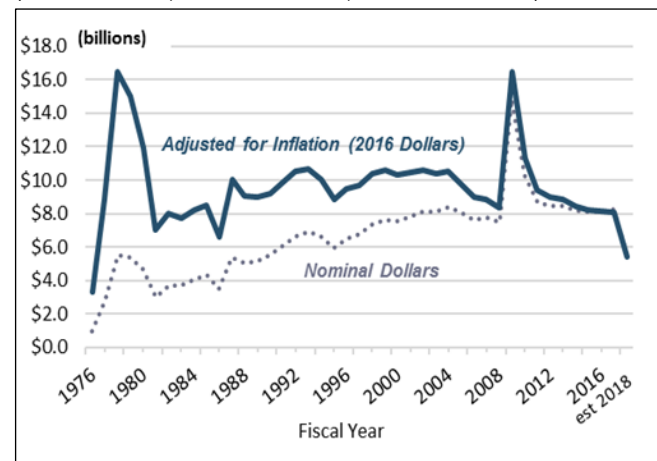
the appropriations process. The need for a current authorization of appropriations is a procedural requirement. Congress may appropriate funding for a program or activity for which the authorization of appropriations has expired if no Member raises a point of order or the rules are waived for consideration of a particular bill. Congress has typically done so to continue appropriations.

## History of EPA Budget Authority

**Figure 2** presents EPA's total budget authority historically in nominal dollars and adjusted for inflation. Budget authority as provided through annual appropriations is reflected in the line identified as "nominal dollars." Adjusted for inflation, the FY2018 requested level for EPA would be the lowest level since the initial years of the agency's operation. (FY1976 is the first fiscal year budget authority reported by the Office of Management and Budget.)

**Figure 2. EPA Total Discretionary Budget Authority FY1976-FY2018 Request**

(\$ in billions adjusted and not adjusted for inflation)



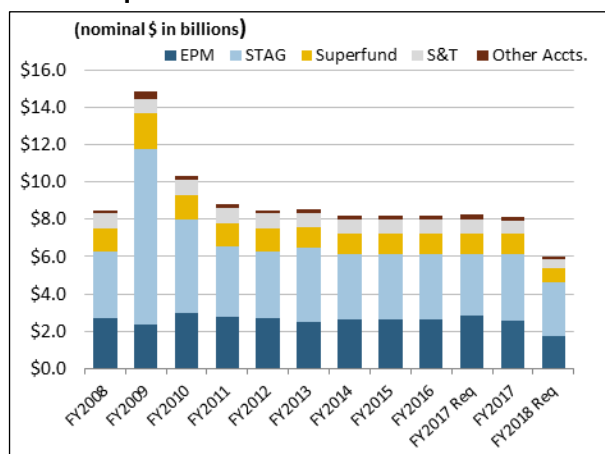
**Source:** CRS based on the Office of Management and Budget (OMB), *Budget of the United States Government Fiscal Year 2018*, *Historical Tables*, Table 5.4 and Table 10.1. FY2009 funding level reflects the supplemental appropriations included for EPA in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

## EPA Appropriations Accounts

Funding is annually appropriated to EPA among 10 accounts established by Congress over time: State and Tribal Assistance Grants (STAG), Environmental Programs and Management (EPM), Hazardous Substance Superfund ("Superfund"), Science and Technology (S&T), Leaking Underground Storage Tank (LUST) Trust Fund Program, Buildings and Facilities (B&F), Office of Inspector General (OIG), Inland Oil Spill Program, Hazardous Waste

Electronic Manifest System Fund, and Water Infrastructure Finance and Innovation Program (WIFIA).

**Figure 3. EPA Appropriations by Account FY2008 - FY2018 Requested**



**Source:** Prepared by CRS using information from the *Congressional Record*; House, Senate, and conference committee reports; and EPA's FY2018 *Congressional Budget Justification*. Enacted amounts include supplemental appropriations and across-the-board rescissions but not additional rescissions of prior-year funds among certain accounts.

As indicated in **Figure 3**, the proportional distribution of funding among these accounts has remained similar over the past decade. The STAG and EPM accounts have received the largest share of funding, followed by the Superfund and S&T accounts. The STAG account funds grants for water infrastructure, brownfields site assessment and remediation, diesel emissions reduction, targeted airsheds, and “categorical” grants to states and tribes for implementing pollution control. The EPM account funds additional grants and many cross-cutting agency activities. The Superfund account supports the environmental remediation of priority sites elevated for federal attention. The S&T account funds research that supports agency regulatory decisions.

With the exception of the B&F and WIFIA accounts, the President's FY2018 request proposes funding reductions below FY2017 enacted levels for all other EPA appropriations accounts, although funding for some program areas within the accounts would increase or remain constant.

## Funding and Policy Issues

Proposed FY2018 reductions and eliminations of funding across EPA programs and activities have garnered significant attention from Members of Congress, states, U.S. territories, tribes, industry stakeholders, and health and environmental organizations. The reductions are distributed across EPA operational functions and activities as well as grants for states, tribes and local governments. In an agency press release announcing the FY2018 budget request, EPA indicated that the proposed funding reflects a shift of priorities toward the agency's “core statutory mission” and is intended to reduce “redundancies” and “inefficiencies” and “return responsibility for funding local environmental efforts to state and local entities.”

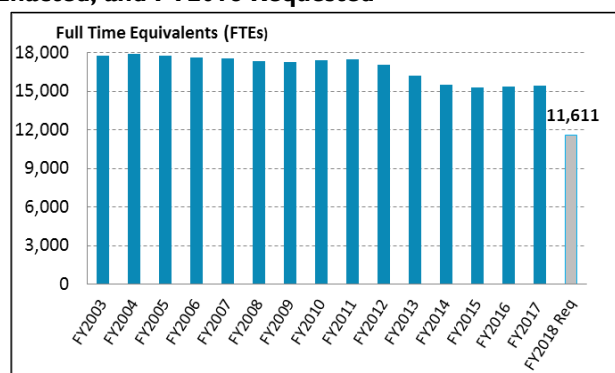
The FY2018 request would reduce funding across many of the functions of EPA that have been the focus of congressional debate in recent fiscal years. In current law, these primary functions include federal financial assistance to states for drinking water infrastructure projects through capitalization grants for State Revolving Funds (SRFs) (FY2018 funding for wastewater SRFs would increase), various categorical grants to support the implementation and enforcement of federal environmental statutes delegated to the states, funding for the agency's implementation and research support for air pollution control requirements, EPA actions to address climate change and greenhouse gas emissions, and funding for environmental remediation. The request would also eliminate federal assistance for several geographic-specific initiatives, including the Great Lakes Restoration Initiative and Chesapeake Bay program.

Appropriated and requested funding for these various program areas are typically presented as line items below the EPA appropriations account level in EPA's congressional budget justifications, congressional committee reports, and the *Congressional Record*.

## EPA Staff Levels

The President's FY2018 request proposed 11,611 full-time equivalents (FTEs) for EPA to administer federal environmental statutes in coordination with delegated states. According to EPA-reported historical staffing levels, the request would be the lowest since 1982. Congress does not set EPA staffing levels in annual appropriations acts. EPA generally determines staffing levels based on the availability of annual appropriations enacted each fiscal year to fund the agency. In its *Congressional Budget Justification*, EPA reports total FTE positions and a breakout of FTEs funded by appropriations account.

**Figure 4. EPA's Reported Full Time Equivalent (FTE) “Employment Ceiling History,” FY2003-FY2017 Enacted, and FY2018 Requested**



**Source:** CRS using information from EPA's FY2017 *EPA Budget in Brief*, Overview, p. 11 and FY2018 *Budget in Brief*, Overview, p. 8.

**Notes:** FTE is defined as one employee working full time for a full year (52 weeks x 40 hours = 2,080 hours) or the equivalent hours worked by several part-time or temporary employees.

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