



U.S. Environmental Protection Agency (EPA) FY2018 Appropriations: Congressional Action

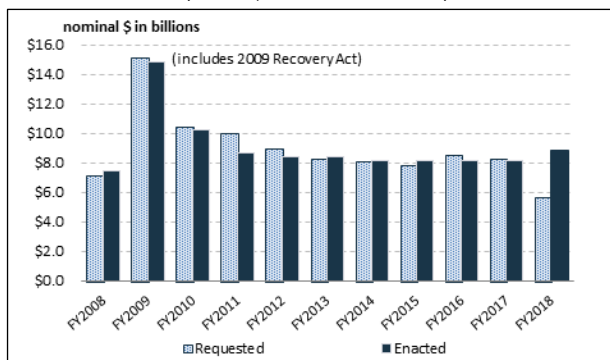
Enacted March 23, 2018, the Consolidated Appropriations Act, FY2018 (P.L. 115-141), Division G, provided funding for Interior, Environment, and Related Agencies, including a total of \$8.82 billion for the U.S. Environmental Protection Agency (EPA) in Titles II and IV combined. After rescissions, Title II provided \$8.06 billion for EPA, and Title IV (\$430) appropriated an additional \$766.0 million for EPA water infrastructure priorities and Superfund emergency response, removal, and remedial actions at eligible sites. Enacted earlier on February 9, 2018, the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (P.L. 115-123, Bipartisan Budget Act of 2018, Division B, Subdivision 1), provided an additional \$63.2 million for EPA in emergency supplemental appropriations to address impacts of Hurricanes Harvey, Irma, and Maria. Combined, P.L. 115-141 and P.L. 115-123 appropriated a total of \$8.89 billion for EPA in FY2018, \$3.23 billion (57%) above the President’s FY2018 request of \$5.65 billion and \$709.2 million (9%) above the \$8.18 billion enacted for FY2017 in P.L. 115-31 and P.L. 114-254 combined. For a history of EPA appropriations over the past decade, **Figure 1** presents the trend in annual budget requests and enacted appropriations from FY2008 to FY2018.

all 12 appropriations bills and would have provided \$7.39 billion for EPA (after rescissions). Released November 20, 2017, the Senate Committee on Appropriations chairman’s “mark” of FY2018 appropriations for Interior, Environment, and Related Agencies proposed \$7.91 billion for EPA (after rescissions).

EPA Appropriations Accounts

Discretionary funding is annually appropriated to EPA among 10 statutory accounts established in annual appropriations acts: 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, Office of Inspector General, Inland Oil Spill Program, Hazardous Waste Electronic Manifest System Fund, and Water Infrastructure Finance and Innovation Program that implements the Water Infrastructure Finance and Innovation Act (WIFIA). In the reports accompanying the annual appropriations bills that fund EPA, Congress has allocated funding within these accounts for specific program areas and activities. As indicated in **Figure 2**, the proportional distribution of funding among these accounts has remained similar over the past decade.

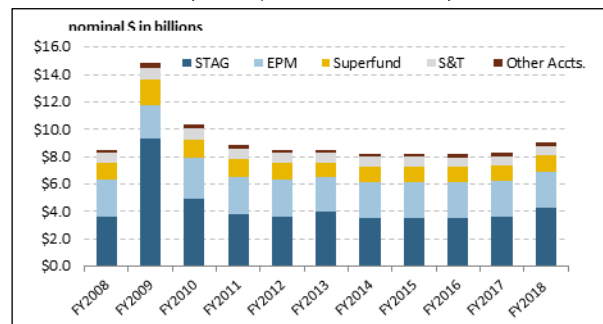
Figure 1. EPA Requested and Enacted Appropriations FY2008-FY2018 (not adjusted for inflation)



Source: Prepared by CRS using information from annual appropriations acts, committee reports, and explanatory statements presented in the *Congressional Record*. Amounts reflect applicable rescissions and supplemental appropriations, including \$7.22 billion in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

Prior to the enactment of P.L. 115-141, EPA and other federal departments and agencies operated under multiple continuing resolutions generally at FY2017 enacted levels (minus across-the-board rescissions). The House and Senate initially proposed lower funding levels for EPA than enacted in P.L. 115-141. As passed by the House on September 14, 2017, the Make America Secure and Prosperous Appropriations Act, 2018 (H.R. 3354), included

Figure 2. EPA Appropriations by Account FY2008-FY2018 Enacted (not adjusted for inflation)



Source: Prepared by CRS using information from annual appropriations acts, committee reports, and explanatory statements presented in the *Congressional Record*. Amounts reflect supplemental appropriations (including \$7.22 billion in the American Recovery and Reinvestment Act of 2009) and across-the-board rescissions but not rescissions of prior-year funds in certain accounts.

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, brownfield site assessment and remediation, diesel emissions reduction, targeted airsheds, and “categorical” grants to states and tribes for carrying out delegated regulatory authorities. The EPM account funds additional grants and many cross-cutting agency activities.

The Superfund account supports the environmental remediation of priority sites on non-federal lands designated for federal attention. The S&T account funds scientific research to inform agency regulatory decisions.

Funding and Policy Issues

More than a dozen federal laws authorize EPA's mission. Congress appropriates funding for EPA to carry out much of its responsibilities in coordination with delegated states and tribes. Funding for implementation through delegated authorities was an issue in the FY2018 appropriations debate. P.L. 115-141 did not approve the President's request to eliminate or reduce funding for certain EPA programs that support state and tribal delegation. In an agency press release announcing the FY2018 budget request, EPA indicated that the overall proposed reduction in funding was intended to shift priorities to the agency's "core statutory mission," reduce "redundancies" and "inefficiencies," and "return responsibility for funding local environmental efforts to state and local entities."

EPA categorical grants provide much of the funding for state and tribal implementation, focusing on specific environmental media, wastes, or pollution sources. The President proposed to reduce total funding for these grants from \$1.07 billion in FY2017 to \$597.3 million in FY2018. P.L. 115-141 provided \$1.08 billion for EPA categorical grants in FY2018. P.L. 115-123 provided an additional \$50.0 million in emergency supplemental appropriations for hazardous waste financial assistance categorical grants (and management of solid wastes) to assist states affected by Hurricanes Harvey, Irma, and Maria.

The President's request to reduce funding for the remediation of Superfund sites was also an issue. The President proposed to reduce the Superfund account from \$1.09 billion in FY2017 to \$762.1 million in FY2018. P.L. 115-141 provided \$1.15 billion for the Superfund account, including \$1.09 billion in Division G, Title II, and \$63.0 million in Title IV (§430). P.L. 115-123 provided \$6.2 million in emergency supplemental appropriations to address impacts at Superfund sites affected by Hurricanes Harvey, Irma, and Maria. P.L. 115-123 also provided \$7.0 million for the LUST account to address impacts from the hurricanes at petroleum underground storage tank sites.

Combined, Titles II and IV, Division G, of P.L. 115-141 provided more funding than the FY2017 enacted and FY2018 requested levels for EPA water infrastructure. Title II provided \$1.39 billion for Clean Water State Revolving Fund (SRF) capitalization grants, the same as enacted for FY2017; \$863.2 million for Drinking Water SRF capitalization grants, \$100.0 million less than the FY2017 enacted level; and \$10.0 million for the WIFIA program account, \$20.0 million below the FY2017 enacted level. Title IV (§430) provided an additional \$600.0 million (\$300.0 million each) for Clean Water and Drinking Water SRF capitalization grants and \$53.0 million for the WIFIA program account. Title IV included \$50.0 million for grants authorized in the Water Infrastructure Improvement for the Nation Act (P.L. 114-322), for which funding had not previously been appropriated.

P.L. 115-141 also continued funding in FY2018 for water quality restoration programs in specific geographic areas that the President proposed to eliminate, including the Great Lakes Restoration Initiative, Chesapeake Bay program, Long Island Sound program, National Estuary Program/Coastal Waterways, and several other specific water bodies. P.L. 115-141 funded most of these programs at the FY2017 enacted level and increased funding for the restoration of Long Island Sound, Gulf of Mexico, and Lake Champlain. Funding for these programs constituted over half of the requested decrease for the EPM account.

Funding for scientific research to inform EPA regulatory decisions and standard-setting was also an issue in the FY2018 appropriations debate. P.L. 115-141 provided \$706.5 million for the S&T account, continuing funding at the FY2017 enacted level. The President had proposed to reduce funding for this account to \$450.8 million.

Agency Staffing

Although Congress does not set specific staffing levels for EPA in annual appropriations acts, the size and structure of the agency's workforce was a topic of debate for FY2018. P.L. 115-141 did not fund the President's request for EPA "workforce reshaping." The Explanatory Statement also expressed the expectation that EPA would not "consolidate or close any regional offices in fiscal year 2018."

Regulatory Prohibitions

Several EPA regulatory actions also received attention. Division G, Title IV, of P.L. 115-141 prohibited the use of FY2018 appropriations for certain actions, including the permitting of air emissions from livestock production (§416), reporting of greenhouse gas emissions from manure management systems (§417), regulating the lead content of ammunition or fishing tackle (§418), permitting of discharges of dredged or fill material for certain agricultural activities (§432), and regulating air emissions from small remote solid waste incinerators in Alaska (§433). Although P.L. 115-141 prohibited funding in FY2018 for these actions, EPA has not pursued rulemaking in some of these areas to date (e.g., lead content of ammunition or fishing tackle). Division S, Title XI ("FARM Act"), also exempted farms from statutory requirements to report air releases of hazardous substances emitted from animal waste.

Program Reauthorizations

P.L. 115-141 reauthorized two EPA programs. Division M, Title IV, extended the collection and use of fees under the Federal Insecticide, Fungicide, and Rodenticide Act through the end of FY2018. These fees augment appropriations for the regulation of pesticides. Division N ("BUILD Act") reauthorized appropriations of \$250.0 million annually from FY2019 to FY2023 for the EPA Brownfields program, amended the grant criteria and eligibility, and provided liability relief for certain categories of parties. P.L. 115-141 funded the Brownfields program in FY2018 at the FY2017 enacted level of \$153.3 million.

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