



MEMORANDUM

May 8, 2023

TO: Members of the Subcommittee on Environment, Manufacturing, and Critical Materials
FROM: Committee Majority Staff
RE: Hearing entitled, “The Fiscal Year 2024 Environmental Protection Agency Budget”

I. INTRODUCTION

On Wednesday, May 10, 2023, at 10:00 a.m., the Subcommittee on Environment, Manufacturing, and Critical Materials will hold an oversight hearing in 2123 Rayburn House Office Building, entitled, “The Fiscal Year 2024 Environmental Protection Agency Budget.”

II. WITNESS

- **The Honorable Michael S. Regan**, Administrator, Environmental Protection Agency

III. BACKGROUND

A. President Biden’s Proposed Budget for Fiscal Year 2024

The President’s proposed budget of the United States Government is required by law to be submitted to Congress each year no later than the first Monday in February.¹ This proposed budget, which includes the Environmental Protection Agency’s (EPA) budget proposal, consists of estimates of spending, revenues, borrowing, and debt; policy and legislative recommendations; detailed estimates of the financial operations of federal agencies and programs; data on the actual and projected performance of the economy; and other information supporting the President’s recommendations.

On March 9, 2023, the President submitted his proposed budget for fiscal year 2024,² requesting \$12.083 billion and more than 17,000 full-time employees for the EPA.³ This request is a little over 19 percent – or almost \$1.948 billion – more than Congress provided EPA in Fiscal Year (FY) 2023.⁴

¹ 31 U.S. Code § 1105(a)

² [FACT SHEET: The President's Budget for Fiscal Year 2024 - OMB - The White House](#)

³ [FY 2024 EPA Budget in Brief](#)

⁴ Id.

The proposed budget recommends funding for climate and air quality programs, drinking water system compliance, cleanup of hazardous waste sites within the Superfund and brownfields accounts, scientific research that underpins regulatory decision-making, homeland security activities, and other programs within the Committee's jurisdiction.

Of note, this budget is organized around four internally focused or "Cross Agency Strategies" (CAS) categories and seven Goals and Objectives that reflect EPA's public posture on its work.

The CAS include:

- Using "rigorous scientific research and analyses to inform evidence-based decision making;"
- Focusing on protecting and improving children's health "at all life stages" and "other vulnerable populations" when implementing EPA programs;
- Fostering a diverse, equitable, and inclusive workforce at EPA; and
- Collaborating and engaging with Tribal Nations, state and local governments, regulated entities, and the public.

EPA's Goals and Objectives for Fiscal Year 2024 include:

- Goal 1: Tackle the Climate Crisis;
- Goal 2: Take Decisive Action to Advance Environmental Justice and Civil Rights;
- Goal 3: Enforce Environmental Laws and Ensure Compliance;
- Goal 4: Ensure Clean and Health Air for All Communities;
- Goal 5: Ensure Clean and Safe Water for All Communities;
- Goal 6: Safeguard and Revitalize Communities; and
- Goal 7: Ensure Safety of Chemicals for People and the Environment.

Of note, while neither the President's proposed budget nor annual appropriations measures allocate funding solely based upon each statutory authorization, spending proposals are provided under each for broad programmatic areas, identified among categorical grants or State and Territorial Assistance Grants (STAG), or included in the Environmental Programs and Management account.

Importantly, in addition to the funding and staffing for EPA that was proposed by the President in March 2023, EPA also has funding allocated to it under the Infrastructure Investment and Jobs Act⁵ (IIJA) – enacted November 15, 2021 –⁶and the Inflation Reduction Act⁷ (IRA) – enacted August 16, 2022. IIJA, which appropriated approximately \$60 billion to EPA over a five-year period, will make \$11.6 billion in funding available to EPA this year for upgrading drinking water infrastructure, replacing lead pipes, addressing emerging contaminants (such as unregulated forms of PFAS⁷), cleaning up Superfund and brownfields sites, and making

⁵ Public Law 117-58

⁶ Public Law 117-169

⁷ Id.

improvements to waste management and recycling systems.⁸The IRA makes \$41.5 billion available to EPA over the next decade to reduce air emissions and target climate change, accelerate environmental justice activities, and provide grants to state, local, and tribal governments with “creating their own such programs to address issues affecting their homes.”⁹

B. Proposed Major Funding Areas

Air Quality

The Clean Air Act (CAA) requires EPA to set health-based standards for ambient air quality, deadlines for the achievement of those standards by state and local governments, and national emission standards for large or ubiquitous sources of air pollution, including motor vehicles, power plants, and industrial sources. In addition, the CAA mandates emission controls for sources of 187 hazardous air pollutants, establishes a cap-and-trade program to limit acid rain, requires the prevention of significant deterioration of air quality in areas that meet CAA emissions standards, requires a program to restore visibility impaired by regional haze in national parks and wilderness areas, implements the Montreal Protocol to phase out most ozone-depleting chemicals, and addresses accidental releases to air of extremely hazardous substances.

The President’s proposed FY2024 budget requests \$1.4 billion and 2,207 full-time equivalent employees to support core air program work, including implementation and attainment activities related to National Ambient Air Quality Standards (NAAQS) and prioritizing CAA and court-ordered obligations. The President’s budget also requests \$150 million for the Diesel Emissions Reduction Act (DERA) Grant Program; \$62.3 million for the Federal Vehicle and Fuels Standards and Certification program, which will focus its efforts on prioritizing certification decisions to ensure that manufacturers can enter their engines and vehicles into commerce once their products have been certified; \$47.5 million for the Federal Stationary Source Regulations Program; \$72.2 million for Stratospheric Ozone and Domestic Programs to implement the American Innovation and Manufacturing (AIM) Act; \$423 million for Categorical Grant Programs; and \$100 million to provide federal support for grants to state and local air quality management agencies and tribes to manage and implement air quality control programs. The President’s budget also requests \$64.4 million for implementation of the AIM Act to phase down hydrofluorocarbons (HFCs).

Water Infrastructure

Under Section 1452 of the Safe Drinking Water Act (SDWA), EPA, through the Drinking Water State Revolving Loan Fund (DWSRF), partners with states willing to provide a 20 percent match to capitalize those states’ revolving loan funds. These loans are provided to aid individual water systems within states that have trouble complying with federal drinking water regulations as well as to offset costs for meeting the most serious risks to human health. From

⁸ Id.

⁹ Id.

1997-2021, the DWSRF program has made more than \$45.21 billion available to finance 17,779 infrastructure improvement projects nationwide.¹⁰

In addition, EPA is operating a program called the Water Infrastructure Finance and Innovation Act (WIFIA) to complement the clean water and drinking water SRF programs' focus on compliance. WIFIA authorizes the Secretary of the Interior and the EPA Administrator to make loans for clean water and drinking water SRF-eligible projects and a wide range of water resource development projects that must generally have costs of at least \$20.0 million. WIFIA is authorized at \$50 million for FY 2024.

The President's proposed budget requests \$1.126 billion to fund Agency DWSRF capitalization grants to States; a portion of these funds are used to provide financial support in the form of forgiveness of principle, negative interest loans, or grants. The President's proposed budget also recommends \$80.44 million in credit assistance for water and wastewater projects under WIFIA.¹¹

Superfund

The Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), also known as "Superfund," was created to help clean up the nation's abandoned and uncontrolled hazardous waste sites, those listed on the National Priorities List (NPL). CERCLA separates cleanups of these sites into two types (emergency response/removal and long-term remediation) and determines whether a potentially responsible party (PRP) can be identified to pay for cleanup or whether the Federal government needs to pay because the PRP is unable or unavailable to pay for it. In certain cases when a PRP is known, but recalcitrant, EPA will pay for cleanup and seek cost recovery. As of April 5, 2023, there were 1,336 sites on the NPL – with another 40 proposed for listing, 453 sites deleted from the NPL, and 1,240 sites that have a cleanup in place, but do not qualify to be delisted from the NPL.¹²

The President's FY2024 budget request calls for \$310.08 million in appropriated funding for CERCLA activities – a decrease of \$929.2 million, but this request also assumes an estimated \$2.5 billion in Superfund tax receipts to support EPA's CERCLA cleanup work. The Superfund Remedial program also will have access to the additional resources from the enacted infrastructure law that will continue to advance work in this important area.

Brownfields

The cleanup of Brownfields sites is funded separately from Superfund. Typically, brownfields are abandoned, idled, or underutilized commercial and industrial properties with lower levels of contamination than a Superfund site, but brownfields still warrant cleanup before the land can be safe for redevelopment.

¹⁰ https://www.epa.gov/sites/default/files/2020-11/documents/national_summary_0.pdf

¹¹ Op. Cit.

¹³ <https://www.epa.gov/superfund/superfund-national-priorities-list-npl>

The President's budget request recommends \$130.9 million in State and Tribal Assistance Grants for EPA's Brownfields program – including \$15 million for cooperative agreements targeted at communities affected by the retirement of a coal plant, to provide grants of no more than \$350,000 per site for planning, contamination assessment, and pollution cleanup; and nearly \$46.9 million for categorical grants, to help states and tribes develop and enhance their response programs.¹³ Authorization for the Brownfields program expires September 30, 2023.

EPA's Homeland Security Activities

Under the Bioterrorism Act of 2002, and Homeland Security Presidential Directives, EPA is the lead federal agency for coordinating security of U.S. water systems, including early warning monitoring and decontamination associated with potential attacks using biological, chemical, and radiological contaminants. EPA also focuses on “all-hazards events” (like hurricanes and spills) as well as protecting EPA employees from harm. The President has requested \$131.2 million for EPA's homeland security activities operated out of several EPA accounts: Science and Technology, Environmental Programs and Management, Superfund, and Building and Facilities. This funding would support various activities, including critical water infrastructure protection, laboratory preparedness, decontamination, protection of EPA personnel and operations, and communication.¹⁴

Leaking Underground Storage Tank (LUST) Program

Annual receipts to the Federal Treasury from a 0.01 cent-per-gallon tax on transportation fuels generate between \$180 and \$200 million per year for the LUST Trust Fund, which provides funding to address petroleum releases and cleanup efforts from underground storage tanks. The President's budget requests \$109 million for the LUST program in FY2024.¹⁵

Chemicals Management

Title I of the Toxic Substances Control Act (TSCA), as amended by the Frank R. Lautenberg Chemical Safety for the 21st Century Act, gives EPA “significant new, as well as continuing, responsibilities for ensuring that chemicals in or entering commerce do not present unreasonable risks to human health and the environment, including unreasonable risks to potentially exposed or susceptible Subpopulations.”

For FY 2024, \$130.7 million is proposed by the President – an increase of \$47.9 million and 112.5 employees – to be allocated to the TSCA Chemical Risk Review and Reduction Program. EPA will use these resources to meet TSCA's statutory requirements and deadlines for risk evaluations and required risk management rules for new and existing chemical substances. Of note, Title I authorizes user fees for EPA to carry out its responsibilities in an amount up to 25 percent of its costs for administering certain sections of TSCA, Title I.

¹³ <https://www.epa.gov/system/files/documents/2023-03/fy-2024-congressional-justification-all-tabs.pdf>

¹⁴ Id.

¹⁵ Op. Cit.

Pesticides

The President's budget for Fiscal Year 2024 proposes \$7.372 million for pesticide licensing programs in the science and technology area; \$150.78 million for pesticide licensing programs themselves; and \$39.6 million for program implementation and enforcement.

Oil Spill Response

While the U.S. Coast Guard responds to oil spills in coastal and inland navigable waterways, EPA responds to spills that occur on land because of leaking pipelines, accidents in transport, or other events. Appropriations in this account only fund EPA's oil spill response activities. EPA is reimbursed for site-specific response expenses from the Oil Spill Liability Trust Fund, administered by the U.S. Coast Guard. The President's budget proposes spending \$21.412 million on Oil Spill Response in Fiscal Year 2024.¹⁶

Environmental Justice

The President's budget for Fiscal Year 2024 requests \$375 million and 265 full-time equivalent employees to address environmental justice concerns. The proposed budget represents an increase of \$267 million over last year's enacted levels.

Additional Resources: <https://www.epa.gov/planandbudget> and <https://www.epa.gov/system/files/documents/2023-03/fy-2024-epa-bib.pdf>

IV. ISSUES

The following issues may be examined at the hearing:

- EPA's budget proposal for FY 2024.
- EPA rulemakings and regulatory issues; and
- Management and operations reforms.

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Mary Martin, Jerry Couri, Peter Spencer, or Sarah Alexander of the Committee staff at (202) 225-3641.

¹⁶ Op. Cit.