



MEMORANDUM

May 10, 2024

TO: Members of the Subcommittee on Environment, Manufacturing, and Critical Materials

FROM: Committee Majority Staff

RE: Hearing entitled, “The Fiscal Year 2025 Environmental Protection Agency Budget”

I. INTRODUCTION

On Wednesday, May 15, 2024, at 10:00 a.m. (ET) in 2123 Rayburn House Office Building, the Subcommittee on Environment, Manufacturing, and Critical Materials will hold a hearing entitled “The Fiscal Year 2025 Environmental Protection Agency Budget.”

II. WITNESS

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

III. BACKGROUND

A. President Biden’s Proposed Budget for Fiscal Year 2025

The President’s proposed budget for the Federal 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’s) 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 11, 2024, the President released his proposed budget for fiscal year (FY) 2025,² requesting \$10.994 billion and 17,145 full-time equivalents (FTEs) for the EPA.³ This request is an eight and a half percent increase – or almost \$858 million – more than what Congress provided the EPA in Fiscal Year (FY) 2024 Annualized Continuing Resolution (ACR).⁴

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,

¹31 United States Code § 1105(a)

²<https://www.epa.gov/newsreleases/statement-administrator-regan-presidents-fiscal-year-2025-budget>

³<https://www.epa.gov/system/files/documents/2024-03/fy-2025-epa-bib.pdf>

⁴Id.

scientific research that underpins regulatory decision-making, homeland security activities, and other programs within the Committee’s jurisdiction.

Of note, President Biden’s budget is organized around four “foundational principles, in addition to “Cross Agency Strategies” categories and seven goals and objectives that reflect EPA’s public posture on its work.

The foundational principles include:

- Follow the Science
- Follow the Law
- Be Transparent
- Advance Justice and Equity

The “Cross Agency Strategies” include:

- Ensure Scientific Integrity and Science-Based Decision Making;
- Consider the Health of Children at All Life Stages and Other Vulnerable Populations;
- Advance EPA’s Organizational Excellence and Workforce Equity; and
- Strengthen Tribal, State, and Local Partnerships and Enhance Engagement.

EPA’s Goals and Objective for FY 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 Healthy 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 President’s proposed funding and staffing for the EPA, the Agency also has funding allocated from the Infrastructure Investment and Jobs Act⁵ (IIJA) – enacted November 15, 2021 – and the Inflation Reduction Act (IRA)⁶ – enacted August 16, 2022. The IIJA, which appropriated approximately \$60 billion to the EPA over a five-year period, makes \$12 billion in funding available to the EPA this year for upgrading drinking water infrastructure, replacing lead pipes, addressing emerging contaminants, cleaning up Superfund and brownfields sites, and making improvements to waste management and recycling systems.⁷ The IRA makes \$41.5 billion available to

⁵Public Law 117-58

⁶Public Law 117-169

⁷Id.

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.⁸

B. Proposed Major Funding Areas

Air Quality

The Clean Air Act (CAA) requires the EPA to set health-based primary 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 of extremely hazardous substances into the air.

The President's proposed FY 2025 budget requests \$1.312 billion and 2,231 FTEs 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 \$100 million for the Diesel Emissions Reduction Act (DERA) Grant Program; \$185.9 million and 370.3 FTE employees 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; \$47.9 million for the Federal Stationary Source Regulations Program; \$72.28 million for Stratospheric Ozone and Domestic Programs to continue implementation of the American Innovation and Manufacturing (AIM) Act; and \$423.3 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.

Water Infrastructure

Under Section 1452 of the Safe Drinking Water Act (SDWA), the EPA, through the Drinking Water State Revolving Fund (DWSRLF), partners with states willing to provide a 20 percent match by providing capitalization grants to 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 1997-2023, the DWSRF program has provided \$24.5 billion in capitalization grants that have been leveraged into \$53 billion worth of funds to finance 18,400 infrastructure improvement projects nationwide.⁹ Section 1452(m) of the SDWA authorized DWSRLF capitalization grants at \$3.25 billion in FY 2025.

The EPA is operating a program called the Water Infrastructure Finance and Innovation Act (WIFIA) to complement the clean water and DWSRF programs' focus on compliance. WIFIA authorizes the Secretary of the Interior and the EPA Administrator to make loans for clean water and

⁸Id.

⁹[THE DRINKING WATER STATE REVOLVING FUND \(epa.gov\)](https://www.epa.gov/dwsrf)

DWSRF-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 zeros-out earmarks in this category and requests \$1.126 billion (an increase of \$609 million over the FY 2024 ACR) for FY 2025 to fund 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 million in credit assistance for water and wastewater projects under WIFIA – an increase of \$4.36 million over FY 2024 ACR funding.¹⁰

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” contaminated waste sites, those listed on the National Priorities List (NPL).¹¹ 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 cleanup. In certain cases when a PRP is known, but recalcitrant, the EPA will pay for cleanup and seek cost recovery. As of March 7, 2024, there were 1,340 sites on the NPL¹² – with another 39 proposed for listing,¹³ 457 sites deleted from the NPL,¹⁴ and 1,242 sites that have a cleanup in place, but do not qualify to be delisted from the NPL.¹⁵

The President's FY 2025 budget request calls for \$661.2 million in appropriated funding for CERCLA activities – a decrease of \$622 million from FY 2024 funding in ACR – and 2,726.4 FTE employees. This request assumes an estimated \$2.17 billion in Superfund tax receipts to support the 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. In addition, the Brownfields program helps innocent parties, who would otherwise be discouraged by the site's environmental liability, address site cleanup and redevelopment.

¹⁰[fy-2025-epa-bib.pdf](#)

¹¹[COMMUNITY UPDATE DECEMBER 2022 FOR THE MEEKER AVENUE PLUME SITE \(epa.gov\)](#)

¹²[Current NPL Updates: New Proposed NPL Sites and New NPL Sites | US EPA](#)

¹³Id.

¹⁴[Deleted National Priorities List \(NPL\) Sites - by State | US EPA](#)

¹⁵[fy-2025-epa-bib.pdf](#)

The President’s budget request recommends \$114.48 million in STAG funding for the Brownfields program¹⁶ – and increase of \$14.5 million over FY 2024 funding levels. The budget request also contains nearly \$53.95 million for categorical grants,¹⁷ to help states and tribes develop and enhance their response programs – an increase of \$6.76 million over existing funding levels.¹⁸ Authorization for the Brownfields program expired September 30, 2023.

The President’s FY 2025 budget request includes an additional \$10.6 million and 58 FTE employees for community development specialists to manage land revitalization projects, provide one-on-one financial planning support, and educate tribal communities, rural communities, and communities with environmental justice concerns on how to address Brownfields sites.¹⁹

In addition, in FY 2025, the IIJA provided the Brownfields program with \$240 million in STAG monies for the Brownfields program,²⁰ \$60 million for state categorical grants for Brownfields,²¹ and \$45 million in administrative expenses.

EPA’s Homeland Security Activities

Under the Bioterrorism Act of 2002 and Homeland Security Presidential Directives, the 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. The EPA also focuses on “all-hazards events” (like hurricanes and spills) as well as protecting EPA employees from harm. The President has requested \$153.52 million for the 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, operations, and communication.²² This requested funding level is \$63.5 million higher than the EPA’s FY 2024 funding levels for these same accounts.

The EPA is the sector risk management agency for the water sector and is responsible for implementing statutory or Presidential homeland security directives. The President’s FY 2025 budget requests \$35.4 million and 57.6 FTE employees for these activities – an increase of \$23.6 million and 31 FTE employees over FY 2024 levels. The President’s budget justifies this 200 percent funding increase request by stating it is meant to help “implement actions to mitigate risks of cyberattacks in the water sector and enhance cyber incident preparation, response, recovery, information sharing, and intelligence for water utilities to protect infrastructure.”²³

¹⁶CERCLA section 104(k)

¹⁷CERCLA section 128

¹⁸[fy-2025-epa-bib.pdf](#)

¹⁹Id.

²⁰CERCLA section 104(k)

²¹CERCLA section 128

²²[fy-2025-epa-bib.pdf](#)

²³[fy-2025-epa-bib.pdf](#)

Leaking Underground Storage Tank (LUST) Program

Annual receipts to the Federal Treasury from a one cent-per-gallon tax on transportation fuels generates 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 \$108.87 million for the LUST program in FY 2025 – a \$15.66 million increase over the FY 2024 funding level.²⁴

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 the 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 2025, the President proposes \$131.9 million – an increase of \$49.1 million over FY 2024 ACR levels – and 534.8 FTE employees – to be allocated to the TSCA Chemical Risk Review and Reduction Program. The 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 the EPA to carry out its responsibilities in an amount up to 25 percent of its costs for administering certain sections of TSCA, Title I.

Pesticides

The President’s budget for FY 2025 proposes \$11.181 million for pesticide licensing programs – a \$5 million increase from the FY 2024 funding level – for science and technology efforts; \$152.2 million for pesticide licensing programs themselves – a nearly \$32 million increase over FY 2024; and \$25.58 million – or flat funding – for program monitoring and enforcement state grants.

Oil Spill Response

While the U.S. Coast Guard responds to oil spills in coastal and inland navigable waterways, the EPA responds to spills that occur on land because of leaking pipelines, accidents in transport, or other events. Appropriations in this account only fund the EPA’s oil spill response activities. The 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 \$21.624 million for Oil Spill Response in FY 2025, a \$4.12 million increase over the prior year’s funding.²⁵

Environmental Justice (EJ)

The President’s budget for FY 2025 requests \$323.6 million and 264.6 FTE employees to address EJ concerns. This request is an increase of \$216 million and 41 FTEs than FY 2024’s enacted

²⁴[FY 2025 EPA Budget in Brief](#)

²⁵[fy-2025-epa-bib.pdf](#)

levels in the ACR. The request also contains a new \$25 million categorical grant program to develop Direct Implementation Tribal Cooperative Agreements (DITCA), with the goal of \$13 million of this funding being used to assist tribes in becoming more resilient to climate impacts.

Enforcement

The President's FY 2025 budget requests \$768.8 million and 3,428.9 FTE employees for the EPA to comply with the laws it administers. An EPA budget document states that the EPA's plans under this budget request are to:

target increased resources on the most serious environmental violations by implementing National Enforcement and Compliance Initiatives (NECIs) that seek to mitigate climate change, address exposure to per- and polyfluoroalkyl substances contamination, protect communities from coal combustion residuals, address hazardous air pollution, provide for clean and safe drinking water, and reduce the risk of deadly chemical accidents.²⁶

The EPA intends to incorporate EJ considerations into every NECI. Of note, many NECI priorities relate to recently promulgated regulations or those projected to be finalized under the Unified Regulatory Agenda.

Office of Inspector General

The Office of Inspector General (OIG) is an independent office within EPA. Congress provides the OIG with its funding separate from the EPA to ensure the OIG's independence.²⁷ Consisting of auditors, program analysts, investigators, and others with extensive expertise, its oversight work seeks to ensure EPA operates in an efficient and cost-effective manner. The President's FY 2025 budget requests \$65.25 million for the OIG audits, evaluations, and investigations; about \$21 million over the level funded in the 2024 ACR. In addition, the President's FY 2025 budget requests \$13.9 million and 49 FTE employees be transferred to the OIG from the Hazardous Substances Superfund for OIG work in that specific area.

Additional Resources:

<https://www.epa.gov/planandbudget>

<https://www.epa.gov/system/files/documents/2024-03/fy-2025-epa-bib.pdf>.

IV. ISSUES

The following issues may be examined at the hearing:

- EPA's budget proposal for FY 2025;
- EPA rulemakings and regulatory issues; and

²⁶[FY 2025 EPA Budget in Brief. For additional information, visit: National Enforcement and Compliance Initiatives | US EPA](#)

²⁷<https://www.epaoig.gov/about-epas-office-inspector-general>

- Management and operations reforms.

V. STAFF CONTACTS

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