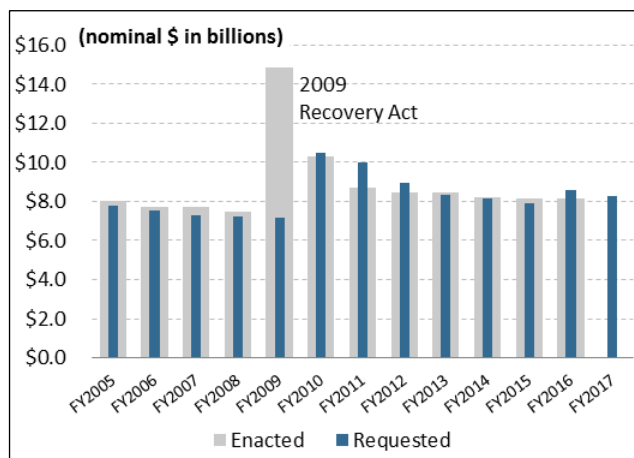


April 6, 2016

U.S. Environmental Protection Agency (EPA): FY2017 President's Budget Request

Since FY2006, Congress has funded EPA in the Interior, Environment, and Related Agencies appropriations. Title II of Division G of the Consolidated Appropriations Act, 2016 (P.L. 114-113), provided \$8.14 billion for EPA for FY2016, \$452 million (5%) less than the President's request. The FY2017 request for EPA was \$8.27 billion, \$127 million (2%) more than the FY2016 enacted appropriations but \$325 million (4%) less than requested for FY2016. Trends in requested and enacted appropriations for EPA over the past decade are shown in **Figure 1**.

Figure 1. EPA Requested and Enacted Appropriations FY2005-FY2017



Source: Prepared by CRS using information from the *Congressional Record*; House, Senate, and conference committee reports; and EPA's FY2017 *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 statutes in coordination with delegated states. These statutes authorize the regulation of air quality, water quality, pesticides, and toxic substances; regulation of the management and disposal of solid and hazardous wastes; and the remediation of environmental contamination (including releases of hazardous substances, leaks of petroleum from underground tanks, and discharges of oil). EPA also awards grants to assist delegated states and local governments in ensuring compliance with federal requirements to control pollution.

Authorization of Appropriations

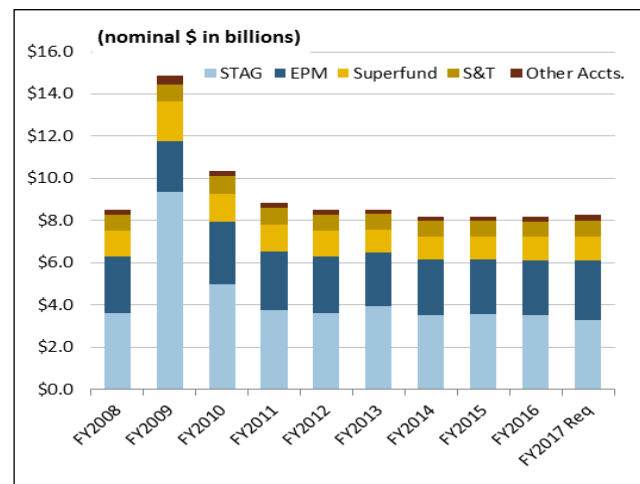
The statutory authorization of appropriations for many of the programs and activities administered by EPA has expired, but Congress has continued to fund them through the appropriations process. The need for a current

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 for EPA.

EPA Appropriations Accounts

From FY1996 to FY2013, EPA's funding had been requested by the Administration and appropriated by Congress under eight statutory accounts: 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, Buildings and Facilities (B&F), Office of Inspector General (OIG), and Inland Oil Spill Program. A ninth account, Hazardous Waste Electronic Manifest System Fund, was added during the FY2014 budget process.

Figure 2. EPA Appropriations by Account FY2008-FY2017



Source: Prepared by CRS using information from the *Congressional Record*; House, Senate, and conference committee reports; and EPA's FY2017 *Congressional Budget Justification*. Enacted amounts include rescissions and supplemental appropriations.

As indicated in **Figure 2**, the proportional distribution of funding among the EPA appropriations accounts has remained relatively constant in recent fiscal years. The STAG and EPM accounts have been the largest share of funding followed by the Superfund and S&T accounts. The STAG account funds grants for water infrastructure, the assessment and remediation of brownfields, diesel emission reduction, and various "categorical" grants to states and tribes for pollution control activities. The EPM account funds many cross-cutting agency activities, the S&T

account funds the bulk of the research and scientific support activities, and the Superfund account supports the assessment and remediation of contaminated sites administered under EPA's Superfund program.

Rescissions of Unobligated Balances

Beginning with EPA's FY2006 appropriations, Congress has "rescinded" unobligated balances from funds appropriated in prior years in the various EPA appropriations accounts and made them available for expenditure in the current fiscal year. In effect, these "rescissions" increase the availability of funds for the agency in the years in which they are applied, functioning as an offset to new appropriations by Congress.

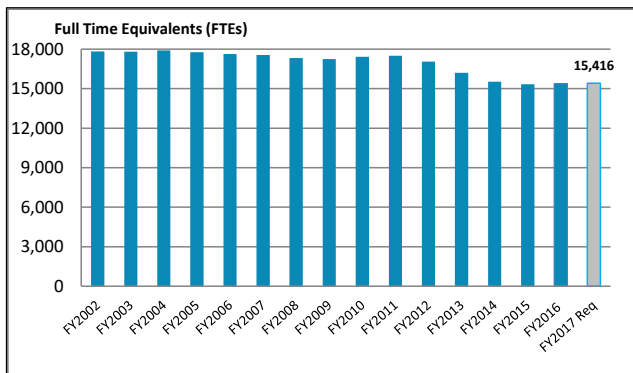
Rescissions of unobligated balances for EPA have been included in annual appropriations acts from FY2006 through FY2016, with the exception of FY2014. P.L. 114-113 included a rescission of \$40 million from unobligated balances for FY2016, the same as enacted for FY2015. In other fiscal years, rescissions have ranged from \$10 million to a high of \$140 million in FY2011.

The President's annual budget request does not typically propose the rescission of unobligated balances, but there were exceptions. For example, the President's FY2015 request proposed a \$5.0 million rescission. Neither the FY2016 nor the FY2017 request included proposals to rescind unobligated balances of EPA.

EPA Staff Levels

Figure 3 presents EPA's "full-time-equivalent" (FTE) staffing ceiling as enacted for FY2002 through FY2016 and the FY2017 request.

Figure 3. EPA's Reported Authorized Full Time Equivalent (FTE) Employment Ceiling, FY2002-FY2016 and FY2017 Requested



Source: Prepared by CRS using information from EPA's FY2017 EPA Budget in Brief, Overview, p. 11.

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.

The President's FY2017 budget request proposed 15,416 FTEs for EPA to administer federal environmental statutes in coordination with delegated states. EPA reported that the

FY2015 enacted level of 15,335 FTEs was the lowest since FY1989. Although Congress does not explicitly appropriate funding to EPA on the basis of its specific staffing levels, in its *Congressional Justification*, EPA presents information regarding total FTEs and FTE levels by each of the appropriations accounts that fund the programs and activities of the agency.

Funding and Related Policy Issues

The debate and hearings so far on EPA's appropriations for FY2017 have focused on federal financial assistance to states for wastewater and drinking water infrastructure projects through capitalization grants for State Revolving Funds, 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 (GHGs) emissions, and funding for environmental remediation. Funding levels for several geographic-specific initiatives, including the Great Lakes Restoration Initiative and efforts to restore the Chesapeake Bay, have also garnered congressional interest.

In addition to funding levels, several recent and pending EPA regulatory actions—most notably those that address GHG emissions under the Clean Air Act and the definition of "waters of the United States" under the Clean Water Act—have again been among the areas of debate during the deliberations on EPA's budget request.

Some Members continue to view these regulatory actions as costly and "overreach" by the agency. Other Members have countered that EPA's actions are consistent with statutory mandates and in some circumstances are compelled by court rulings—and that costs and benefits are appropriately weighed. Some Members have also noted that certain EPA regulations could be stricter, as scientific understanding of risks has evolved. Authorizing committees continue to debate many of these actions through hearings and legislation during the 114th Congress.

Various appropriations acts for prior fiscal years have restricted or prohibited the use of enacted appropriations by EPA to develop, propose, finalize, or implement certain regulations that a majority consensus of Congress opposed. These funding limitations have been included in the form of administrative and general provisions in annual appropriations acts rather than the accounts that fund these activities. Interest in some of these EPA regulatory actions has been recurring in recent years, as some of the funding limitations have been renewed from year to year in annual appropriations acts.

Robert Esworthy, Specialist in Environmental Policy
David M. Bearden, Specialist in Environmental Policy

IF10383

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.