

# ENVIRONMENTAL PROTECTION NETWORK (EPN)

## House Appropriation for EPA Cuts Core Programs 27% -- Even More Deeply than Trump Requested

On September 13, the House of Representatives approved HR 3354, which contains the EPA budget for the 2018 fiscal year. The Senate is scheduled to take up EPA's budget this week.

The bill adopted by the House cuts EPA's budget by \$ 650 million from its already low level in 2017 – the smallest budget since 1986 in real terms. Most damaging is the 27% cut to the appropriations for most of EPA's core programs: air, water, waste, chemicals, compliance and others. For those programs the House is making even deeper cuts than were requested by the Trump administration.

The bill also includes a variety of riders that are troubling not just from a policy standpoint but also in their disregard of longstanding principles of transparency and the separation of politics and science.

Administrator Pruitt speaks often of focusing EPA on what he claims is its core regulatory mission, addressing pollution that harms the nation's air, land, and water. The House budget would severely impact EPA's ability to carry out that mission.

### Summary of HR 3354 and House Action

These severe cuts in EPA's budget are a result of amendments adopted on the House floor, on top of an already-punishing budget recommended by the House Appropriations Committee on July 18. As EPN's prior budget summary reported,<sup>1</sup> the July 18 bill represented a major cut, especially in light of years of flat or declining budgets for EPA. Even that bill would have resulted in the smallest EPA budget since 1986, adjusted for inflation (see Appendix A).

The floor changes only made this budget much worse for EPA. (These floor amendments are listed in Appendix B.) First, \$ 128 million was taken from the EPA budget to provide funding for the Interior Department and Forest Service. While those expenditures may be meritorious, they should not be funded by using EPA's already depleted account as the bank for other agencies.

Second, shifts within the EPA budget came almost entirely at the expense of the core programs. A large share of EPA's budget goes to states, tribes, local governments and targeted geographic programs such as the Great Lakes Restoration Initiative and the Chesapeake Bay Program; the rest goes to EPA's own operations. The bill that came to the House floor focused most of its cuts on the latter – so an overall cut of 7% really meant cuts of 10-15% for air, water and other programs. The amendments on the House floor shifted funds even further away from those core programs.

These programs are largely funded through the "Environmental Programs and Management" Account, which supports activities such as pollution abatement and prevention, environmental enforcement and

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<sup>1</sup> EPN Budget Summary July 2017 link:

[https://docs.wixstatic.com/ugd/dfb365\\_7e2f55099e6b44838339af80ec814c2c.pdf](https://docs.wixstatic.com/ugd/dfb365_7e2f55099e6b44838339af80ec814c2c.pdf)

compliance assurance, setting environmental standards, issuing permits, monitoring emissions and ambient conditions and providing technical and legal assistance to enforcement, compliance, and oversight. The amendments moved almost \$ 250 million from EPM to other accounts, primarily grants for local wastewater treatment infrastructure. Wastewater infrastructure is extremely important, and the reductions in those grants proposed by the Appropriations Committee were certainly a concern. However, the price of fully funding those grants was the gutting of the EPM account.

Combining the transfer of funds from EPA to other agencies, with the shift from EPM to infrastructure grants, *the effect of these amendments is to slash funding for core programs by 27%* . (Here, “core program” funding refers to the EPM account, excluding funds for targeted geographic programs.) As shown below, this means *even deeper cuts for these activities than the Trump administration requested*.

<b>Budget</b>	<b>Total EPA Budget</b>	<b>Core Programs</b>
2017 Enacted	\$ 8.058 billion	\$ 2.162 billion
Trump Proposal	\$ 5.655 billion	\$ 1.717 billion
House Approps Comm bill	\$ 7.530 billion	\$ 1.966 billion
House Adopted Budget	\$ 7.402 billion	\$ 1.576 billion

Casually shifting hundreds of millions of dollars from EPA’s operations to fund other needs shows a disturbing disregard for EPA’s central programs – the ones the administration claims it wants to focus on. It would severely damage EPA as an effective institution, hollowing out the pillars of the national system of environmental protection, set up to implement the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, and other fundamental statutes that protect our nation’s air, water, and land. <sup>2</sup>

#### **Other key details of HR 3354**

- In addition to the cuts discussed above, funds for science and technology, which are a key underpinning to EPA’s mission, were cut on the floor by an additional \$ 5.3 million (on top of the \$ 104 million cut recommended by the Appropriations committee), resulting in a 16% reduction from current levels.
- At the same time, many other large accounts are held at or near their 2017 levels.
  - Grants for state environmental programs, and for local drinking water and wastewater infrastructure, are funded at the same level as in FY2017.
  - Several geographic programs also receive level funding, including the Great Lakes Restoration Initiative and the Puget Sound Program. A floor amendment also restored funding for the Lake

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<sup>2</sup> A colloquy on the House floor illustrates this disregard. Challenged on the proposed amendment to take \$ 250 million from core programs to fully fund wastewater treatment grants, Rep. John Katko responded that ensuring clean water for local residents is more important than letting bureaucrats get the rental car of their choice or buy more pencils.

Champlain program (by taking funds from the EPA Science and Technology account). However, the Chesapeake Bay Program is cut by 18% from 2017, and the bill still eliminates other geographic programs such as those for San Francisco Bay and Long Island Sound.

- Alone among EPA's large operating accounts, the Superfund program receives a 2% increase.
- Although the bill does not specify staffing levels, the committee report appears to anticipate deep cuts to EPA staffing (which is already at its lowest level since the 1980's). While the report is not binding, \$58 million is recommended for "workforce reshaping", which refers to the cost of "buyouts" (cash incentives for employees to leave or take early retirement) and other expenses related to reducing the size of EPA's staff. Another indicator is a 6% cut in Buildings & Facilities, which may be based on an assumption that fewer staff require less space.

### **Policy riders**

The bill also contains troubling policy riders, including:

- Language allowing EPA to withdraw the "Waters of the US" rule without going through public notice and comment as required under the Administrative Procedure Act. This rider has implications far beyond the immediate rule it applies to; it create a dangerous precedent undoing 70 years of open public process for the adoption or repeal of rules. EPA has already proposed repealing and replacing the WOTUS rule, and solicited public comment on that proposal. This rider would serve no purpose other than to circumvent the normal regulatory process and shut out public comment which traditionally has improved and sharpened rules.
- Delaying implementation of new air standards for ozone until 2024. The Pruitt administration announced a much shorter delay, and then withdrew it when faced with potential litigation. EPA has shown in the past that it can work with states to implement new standards, and can do so again; if the administration feels the standard is unsound it can propose a revision and go through the appropriate process for public input.
- Protecting agribusiness, including a prohibition on permits for emissions from livestock production, and a prohibition on reporting of greenhouse gas emissions from manure management systems. (Reporting from such systems has been prohibited in previous years, and few if any such facilities are subject to permitting requirements relating to greenhouse gases, so these riders do not significantly change current practice.) It also prohibits issuance of any new regulations under the Resource Conservation and Recovery Act applying to large animal feeding operations, which appears to respond to a citizen suit rather than any proposed EPA action, and prohibits EPA from enforcing reporting requirements for hazardous substances from farms.
- Dictating that biomass must be considered carbon neutral as an energy source, which is a scientific, not a legal or policy, determination. This is a complex scientific question that has been studied for

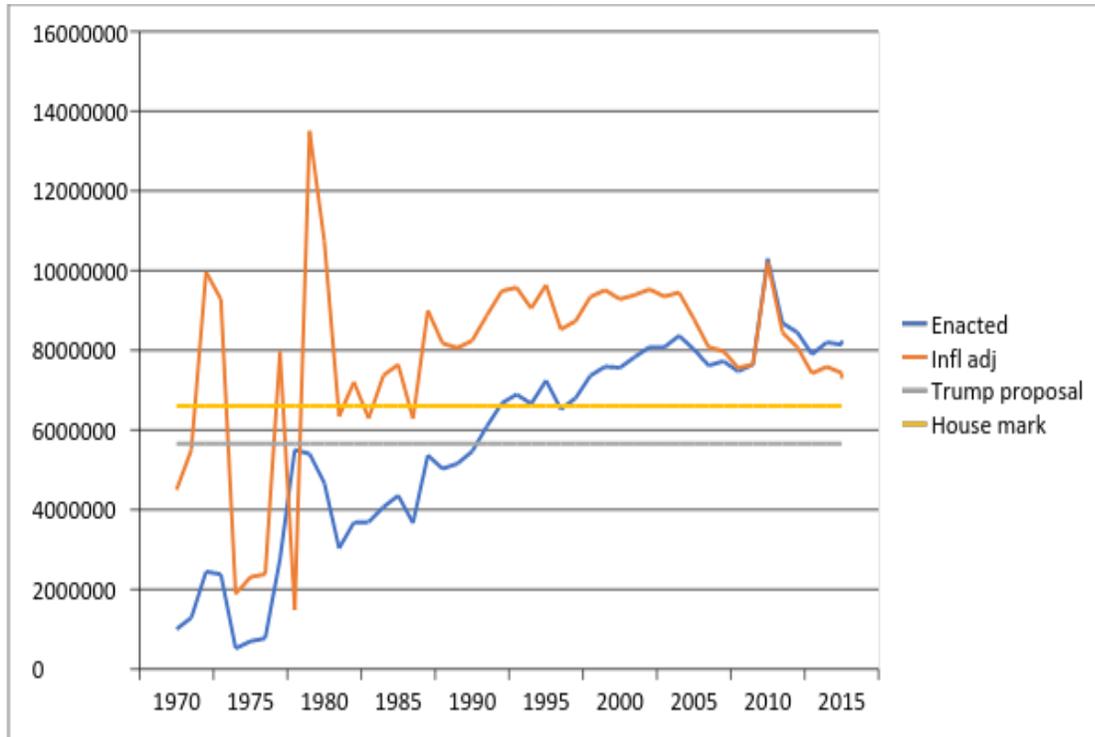
years by scientists and about which industry and environmental scientists strongly disagree; it should not be reduced to a political decision.

- Restricting EPA (and other agencies) from paying legal fees under settlements of lawsuits under the Clean Air Act, Clean Water Act, or Endangered Species Act. These cases are typically brought by citizen groups to ensure that everyone is following the rules set under important federal laws. The groups, who act on behalf of the American public, deserve to have their attorneys' fees reimbursed when they win in court.
- Prohibiting EPA from:
  - finalizing a proposed rule requiring hardrock mining companies to provide financial assurance that would cover the cost of cleanup after mines are closed. Under current law, taxpayers cover the cost of mine site cleanups, which can be extremely expensive, if the companies go out of business.
  - taking action against states for failing to meet the goals mandated by the Chesapeake Bay Total Maximum Daily Load, a key tool for ensuring the Bay is cleaned up.
  - using the Clean Air Act to address US greenhouse gas emissions that endanger public health in another country.
  - enforcing the EPA methane rule, which addresses a very potent source of greenhouse gas.
  - implementing the Social Cost of Carbon, which measures the costs to society of greenhouse gas emissions.

## APPENDIX A

### EPA Budgets, 1970-2017 vs. Trump Proposal and House Bill

The EPA budget adopted by the House in September would be the agency's lowest since 1986, adjusted for inflation. This cut comes on top of years of flat or declining budgets dating to the mid-2000's (with a brief spike in 2010-12 part of which was stimulus funding for local infrastructure).



## APPENDIX B

### Impact on EPA Core Programs of Amendments on the House Floor (All numbers in 000's)

“Core program” funding refers to the EPM account, excluding funds in that account for targeted geographic programs.

EPM = Environmental Programs and Management Account

S&T = Science and Technology Account

#### Amendments

Shifts to other agencies from EPM account:

Shift from EPA to Forest service hazardous fuels	- 3,831
Shift from EPA to DOI/park service maintenance	- 12,078
Shift from EPA to DOI/abandoned mine reclamation (Thompson)	- 32,491
Shift from EPA to DOI/abandoned mine reclamation (Griffith)	- <u>80,000</u>
	\$ -128,400

Shifts within the EPA budget affecting the EPM account:

Fund Lake Champlain program (shift from EPA S&T account)	+ 4,399
Shift from EPM to S&T for study of harmful algal bloom exposure	- 1,086
Shift within EPM to fund National Estuary Program	- 468
“ “ “	+ 468
Shift from EPM to state grants for non-point source pollution	- 1,000
Shift from EPM to Clean Water State Revolving Fund	- <u>250,000</u>
	\$- 247,687

Additional rescission - 5,000

EPM after amendments 1,982,753

Geographic programs - 406,399

“Core program” funding after all amendments \$ 1,576,354