

Summary of the July 11, 2017 Budget Proposal In the House Appropriations Subcommittee on Interior, EPA and Related Agencies

On July 11, the House Appropriations Subcommittee on Interior, Environment and Related Agencies released a proposed budget bill that will be voted on in a markup session today. The Environmental Protection Network has prepared this summary based on an initial review of the bill, and will continue to analyze its provisions, especially the impact of policy riders.

The proposal would fund EPA at approximately \$ 7.5 billion,¹ a reduction of \$ 528 million, or 7 %, from the 2017 Fiscal Year. While this is an increase over the administration's outrageous proposal, which would have slashed EPA's budget by 31%, it still means a deep cut for an Agency that has faced flat or declining budgets for years while facing growing environmental needs. It would be the smallest budget for EPA in decades (adjusted for inflation), even lower than in the early Reagan administration, the last time that EPA's budget was targeted for deep reductions. It would also represent a 10% reduction from FY2013 (adjusted for inflation), when EPA was cut as a result of the "sequester".

Among other things, the bill:

- Cuts most EPA programs across the board to a significant degree. In particular, funds for science and technology, which are a key underpinning to EPA's mission, are cut 14%.
- Rejects deep cuts in state program funding grants, providing a total of \$ 1.066 billion (largely unchanged from the FY 17 enacted level).
- Funds the Superfund program at levels even above FY 17 (\$ 1.116 Billion, vs. \$ 1.089 Billion).
- Suggests that the committee still anticipates deep cuts to EPA staffing.
 - \$ 58 million is provided for "workforce restructuring", which refers to the cost of buyouts and other costs related to reducing the size of EPA's staff. Although lower than the administration requested (\$ 68 million), this suggests that the committee expects significant further reductions in EPA's workforce.
 - One of the few areas in which cuts are made as deeply as in the President's budget is Buildings & Facilities, which is 6% less than FY 17's level and may be based on an assumption that fewer staff require less space.
- Appears to provide level funding for the Great Lakes Restoration Initiative and Chesapeake Bay Program. However, total funding for geographic programs is \$397.7 million, down from \$ 435.9 million in FY17. We do not know which other geographic programs are being cut.
- Modestly reduces funding for clean water infrastructure, which had been increased in the administration proposal. (\$ 250 million less than FY 17).
- Except for a handful of programs specifically identified as receiving funds, it is not possible to determine whether the 50+ programs slated for elimination in the administration budget would be preserved, such as the Office of Environmental Justice, the Endocrine Disruptors Program, or the Pollution Prevention Program.
- It is also not clear whether the bill would restore any of the climate programs eliminated in the administration budget, or would reverse the plan to privatize Energy Star

¹ The appropriations in the bill total \$ 7.627 billion; however, that is offset by rescissions and anticipated end-of-year "unobligated balances."

- The bill increases funding over FY17 for some of the programs scheduled for elimination in the President’s budget.
 - \$ 90 million for Brownfields grants (an increase from \$ 80 million in FY17)
 - \$75 million for implementation of the Diesel Emissions Reduction Act (vs \$ 60 million)
 - \$ 40 million for Targeted Airshed Grants (vs. \$ 30 million)
 - \$3.674 million for the program to allow electronic tracking of hazardous waste shipments (which the President’s budget would have shifted to user fees).
- Partial funding is provided for grants to Alaskan Native Villages (\$ 10 million, vs. \$ 20 million in FY17).

Policy riders

The draft bill also contains a number of policy riders. A few of the more significant riders include:

- Allowing EPA to withdraw the “Waters of the US” rule without going through public notice and comment as required under the Administrative Procedure Act.
- Protections for agribusiness, including a prohibition on permits for emissions from livestock production, a prohibition on reporting of greenhouse gas emissions from manure management systems. (Neither reporting nor permitting requirements for GHGs currently affect these facilities, so the language does not change current law.) It also prohibits issuance of any new regulations under RCRA applying to large animal feeding operations.
- A major delay in implementation of current air standards for ozone, which would codify the delay previously announced by the administration.
- A requirement that EPA, with the Energy and Agriculture Departments, adopt policies that favor the use of forest biomass for energy, including policies that treat biomass as carbon neutral and recognize it as a renewable energy source. This would use legislation to dictate the result of a complex scientific question over which industry and environmental groups strongly disagree.
- Prohibition on finalizing a 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 become insolvent.

EPN intends to continue analyzing the potential impacts of these and other riders.