

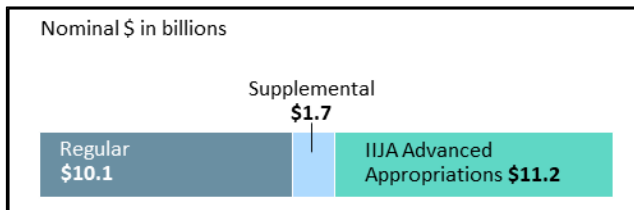


March 16, 2023

U.S. Environmental Protection Agency FY2023 Appropriations

Enacted on December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328) provided funding for the Department of the Interior, Environment, and Related Agencies, including funding for the U.S. Environmental Protection Agency (EPA). P.L. 117-328, Division G, Title II provided a total of \$10.14 billion in appropriations for EPA, including rescissions. In addition, Division N, Title VII, of P.L. 117-328 provided \$1.67 billion in supplemental appropriations for EPA for FY2023 in 2 of EPA’s 10 appropriations accounts. Division J, Title VI of the Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58), enacted on November 15, 2021, provided an additional \$11.21 billion for EPA in advanced appropriations for FY2023. Together, P.L. 117-328 and P.L. 117-58 provided a total of \$23.01 billion for EPA for FY2023. **Error! Reference source not found.** shows the breakdown of FY2023 EPA regular, supplemental, and advanced appropriations.

Figure 1. EPA FY2023 Enacted Appropriations

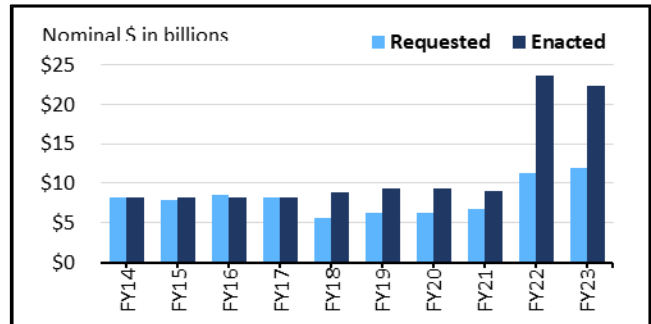


Source: CRS using information from the Congressional Record; House, Senate, and conference reports.

EPA’s FY2023 regular annual appropriations of \$10.14 billion, including rescissions, are \$1.74 billion (14.7%) less than the President’s FY2023 request for EPA of \$11.88 billion and \$575.9 million (6.0%) more than FY2022 regular enacted appropriations of \$9.56 billion. Total EPA FY2023 enacted appropriations of \$23.01 billion (including supplemental and IIJA advanced appropriations) were \$605.8 million (2.6%) less than total FY2022 enacted appropriations of \$23.62 billion (including IIJA supplemental appropriations). Note: for the purposes of comparisons in this report, FY2022 enacted amounts do not include \$41.46 billion in mandatory appropriations provided to EPA for FY2022 in P.L. 117-169, the measure commonly referred to as the Inflation Reduction Act (IRA). Trends in requested and enacted appropriations for EPA since FY2014 are shown in **Error! Reference source not found.**

From the beginning of FY2023 to the enactment of P.L. 117-328, EPA (and other federal departments and agencies) operated under the terms and conditions of a series of three continuing resolutions, generally at FY2022 regular enacted levels.

Figure 2. EPA Requested and Enacted Discretionary Appropriations, FY2014-FY2023



Source: CRS using information from the Congressional Record; House, Senate, and conference reports; and EPA’s FY2023 Congressional Budget Justification. Enacted amounts reflect relevant supplemental appropriations and rescissions. Figure does not include \$41.46 billion in FY2022 mandatory appropriations provided to EPA in P.L. 117-169.

EPA Appropriations Accounts

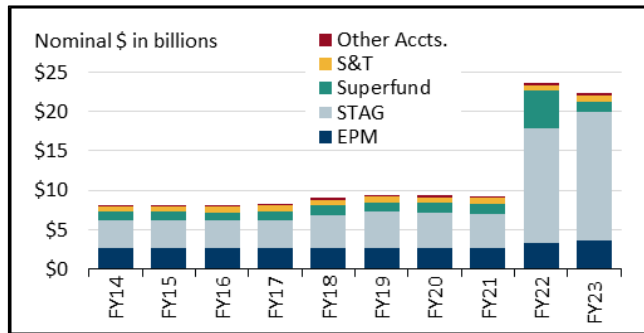
Funding for discretionary spending is annually appropriated to EPA among 10 statutory accounts established by Congress over time. These include State and Tribal Assistance Grants (STAG), Environmental Programs and Management (EPM), Hazardous Substance Superfund (“Superfund”), Science and Technology (S&T), Leaking Underground Storage Tank Trust Fund Program, Buildings and Facilities, Office of Inspector General, Inland Oil Spill Program, Hazardous Waste Electronic Manifest System Fund, and Water Infrastructure Finance and Innovation Program accounts.

As indicated in **Error! Reference source not found.**, the proportional distribution of funding among these accounts has remained similar for more than a decade, except for FY2022 with IIJA supplemental appropriations. Historically, the STAG and EPM accounts have received the largest share of funding, followed by the Superfund and S&T accounts. The STAG account funds grants for water infrastructure, brownfields site assessment and remediation, diesel emissions reduction, targeted airsheds, and “categorical” grants to delegated states and tribes for implementing pollution control programs. The EPM account funds additional grants and many cross-cutting agency activities. The Superfund account supports the environmental remediation of priority sites on non-federal lands designated for federal attention in coordination with the states in which the sites are located. The S&T account funds research that supports agency regulatory decisions.

FY2023 total appropriations in P.L. 117-328 and P.L. 117-169 funded increases in 7 of the 10 EPA appropriations accounts and a decrease in 1 account compared with the

FY2022 enacted appropriations. For example, total FY2023 appropriations were \$16.97 billion for the STAG account, including rescissions and \$10.82 billion in IJA advanced appropriations. This is a \$2.48 billion (17.1%) increase compared with FY2022 total enacted appropriations of \$14.50 billion for the STAG account.

Figure 3. EPA Enacted Discretionary Appropriations by Account: FY2014-FY2023



Source: CRS using information from the *Congressional Record*; House, Senate, and conference committee reports. Enacted amounts reflect rescissions and supplemental appropriations.

Total FY2023 appropriations were \$3.67 billion for the EPM account (including \$386.8 million in IJA advanced appropriations). This is a \$297.3 million (8.8%) increase compared with FY2022 total enacted appropriations of \$3.38 billion for the EPM account. FY2023 appropriations were \$1.28 billion for the Superfund account. This is a \$3.45 billion (72.9%) decrease compared with FY2022 enacted appropriations of \$4.73 billion for the Superfund account (which included \$3.50 billion in supplemental IJA appropriations).

Selected EPA Funding Issues

In recent years, a variety of EPA funding issues have been the subject of congressional debate during the annual appropriations process. These issues are likely to continue to be the subject of discussion in the 118th Congress.

Assistance to States and Other Entities

Congress appropriates funds to EPA to support the agency's primary responsibilities under multiple federal environmental pollution control statutes in coordination with states and tribes. The adequacy of funding for this support has been a perennial issue. EPA awards categorical grants to states and tribes (and local governments under certain statutes) with delegated authority to implement and enforce federal pollution control requirements. Typically, Congress allocates the largest categorical grant amounts for EPA assistance to states and territories for two state revolving funds for water infrastructure: the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund. For FY2023, Congress appropriated \$2.76 billion total for these funds and appropriated \$1.16 billion for other categorical grants in the STAG account. EPA also awards competitive grants for a range of programs and purposes. Entities eligible for assistance and other eligibility requirements vary among the competitive grants.

Air Quality and Climate Change

Congress also appropriates funds to EPA for addressing air pollution and climate change, including assistance to states, local governments, and tribes. Air quality and climate change have been a subject of congressional appropriations discussions in recent years. For FY2023, P.L. 117-328 provided \$556.8 million within the S&T and EPM accounts for clean air and climate, a \$36.7 million (7.1%) increase compared with FY2022 appropriations of \$520.0 million. This funding supports programs for climate change research and adaptation, air monitoring networks, federal support for air quality management, renewable fuel standards, greenhouse gas monitoring, and wildfire smoke research, among others. In addition, in the Explanatory Statement accompanying P.L. 117-328, Congress directed specific funding within the STAG account to air-related grants, such as the diesel emissions reduction, wildfire smoke preparedness, and categorical grants specifically related to air quality.

Environmental Justice

Funding levels for EPA environmental justice-related programs and activities have been a long-standing issue in appropriations discussions. Two executive orders (E.O. 12898 and E.O. 14008) generally direct EPA and other agencies to integrate environmental justice into their respective missions to “the greatest extent practicable and permitted by law.” Congress has recently increased specific allocations for environmental justice activities at EPA. For FY2022, enacted EPA appropriations for environmental justice were \$100.0 million, an \$88.2 million increase from FY2021 enacted appropriations for the program area. For FY2023, P.L. 117-328 provided EPA with \$108.0 million for environmental justice within the EPM and Superfund accounts, an increase of \$8.0 million (8.0%) above FY2022 appropriations.

Per- and Polyfluoroalkyl Substances (PFAS)

Legislation has been enacted and other bills have been considered in recent Congresses to address potential risks associated with per- and polyfluoroalkyl substances (PFAS). Multiple departments and agencies, including EPA, are involved in responding to the potential risks associated with PFAS. The Explanatory Statement accompanying P.L. 117-328 (*Congressional Record*, December 20, 2022, pp. S8655-S859) allocated \$8.0 million within the S&T account for EPA to conduct “research that will help farmers, ranchers, and rural communities manage PFAS impacts in agricultural settings and communities.” The Explanatory Statement also allocated \$12.0 million in EPA Public Water System Supervision categorical grants to address PFAS and other contaminants of emerging concern. EPA may also use funds from other appropriations accounts for eligible activities related to addressing PFAS in the environment.

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