



U.S. Environmental Protection Agency (EPA) FY2019 Appropriations

At the outset of FY2019, the U.S. Environmental Protection Agency (EPA) operated under the terms and conditions of two sequential continuing resolutions (Division C of P.L. 115-245, and P.L. 115-298). The latter expired December 21, 2018. Beginning December 22, 2018, a partial government shutdown (or funding lapse) began limiting operations. EPA’s “Contingency Plan for Shutdown” outlines procedures for operating during the funding lapse. On January 3, 2019, the House passed a six-bill omnibus appropriations (H.R. 21) and on January 8, 2019, introduced H.R. 266, the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2019. Both bills would fund EPA at levels proposed in a Senate-passed bill (H.R. 6147) in the 115th Congress.

In the 115th Congress, on July 19, 2018, the House also passed a different version of H.R. 6147. On August 1, 2018, the Senate passed H.R. 6147 in the form of a substitute amendment, which incorporated additional appropriations bills. Previously reported versions of the bills (H.Rept. 115-765 and S.Rept. 115-276) did not include additional appropriations bills and were limited to Interior, Environment, and Related Agencies appropriations, which has included EPA since FY2006.

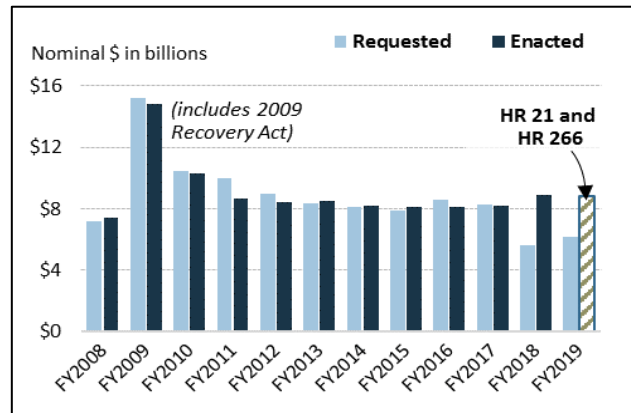
EPA FY2019 Proposed Appropriations

Division A of H.R. 21 and H.R. 266 would provide \$8.82 billion in Title II and Title IV for EPA (after rescissions). Title IV of both bills includes funds for water infrastructure and Superfund response actions at eligible sites. The total funding for EPA in each bill would be 43% above the President’s FY2019 request of \$6.19 billion and 0.7% less than the \$8.89 billion FY2018 enacted total appropriations. The FY2018 enacted total includes funding in Division G of P.L. 115-141, enacted March 23, 2018, and emergency supplemental appropriations in Division B, Subdivision 1, of P.L. 115-123, enacted February 9, 2018. The \$8.31 billion total for EPA for FY2019 included in House-passed H.R. 6147 in the 115th Congress was 34% above the FY2019 request and 6.5% less than the FY2018 enacted total appropriations.

H.R. 21, H.R. 266, and the President’s request include rescissions of unobligated balances in varying amounts: \$182.0 million in the House bills and \$220.5 million in the request. P.L. 115-141 rescinded \$148.8 million in unobligated balances for FY2018.

Figure 1 presents trends in requested and enacted appropriations for EPA since FY2008 through FY2018 and the FY2019 amounts proposed in the President’s request and the House bills in the 116th Congress.

Figure 1. EPA Requested and Enacted Appropriations FY2008-FY2018, and FY2019 Requested, H.R. 21 and H.R. 266 (not adjusted for inflation)



Source: CRS using information from the *Congressional Record*; House, Senate, and conference reports; and EPA’s FY2019 *Congressional Budget Justification*. Enacted amounts reflect rescissions and supplemental appropriations, including \$7.22 billion for EPA in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). Albeit with reductions for some program activities, the funding in H.R. 21 and H.R. 266 would generally support the existing federal and state framework for implementing and enforcing requirements under multiple federal pollution control statutes. The bills would not approve the President’s request to eliminate funding for certain programs and activities that would have returned some federal responsibilities of EPA to the states. The House bills would also continue funding in FY2019 for certain geographic programs that the President proposed to eliminate, including the National Estuary Program, the Great Lakes Restoration Initiative, the Chesapeake Bay Program, and other programs to restore specific water bodies.

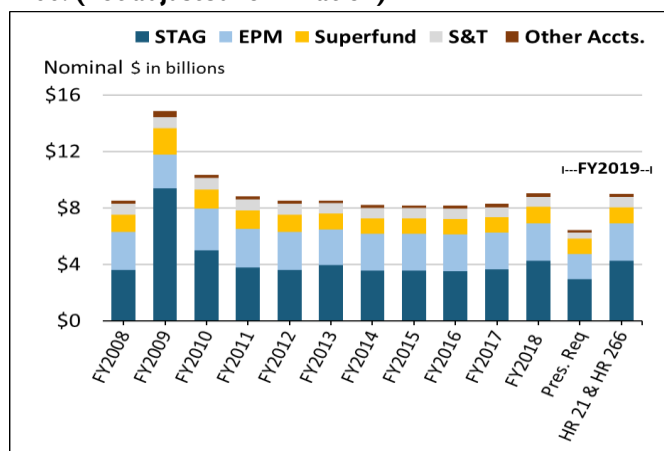
EPA Appropriations Accounts

More than a dozen federal laws authorize EPA operations. Funding is annually appropriated to EPA among 10 accounts established by Congress over time: 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 Program, Buildings and Facilities (B&F), Office of Inspector General, Inland Oil Spill Program, Hazardous Waste Electronic Manifest System Fund, and Water Infrastructure Finance and Innovation Act (WIFIA) Program.

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 states and tribes for implementing federal 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 elevated for federal attention. The S&T account funds scientific research to inform agency regulatory decisions. As indicated in **Figure 2**, the proportional distribution of funding among these accounts has remained similar over the past decade.

Figure 2. EPA Appropriations by Account FY2008-FY2018 Enacted, FY2019 Requested, H.R. 21 and H.R. 266. (not adjusted for inflation)



Source: Prepared by CRS using information from the *Congressional Record*; House, Senate, and conference committee reports; and EPA’s FY2019 *Congressional Budget Justification*. Enacted amounts include supplemental appropriations and across-the-board rescissions but not additional rescissions of prior-year funds among specific accounts. H.R. 21 and H.R. 266 would fund each account generally at the FY2018 level or greater, the same as Senate-passed H.R. 6147 in the 115th Congress. The House-passed version of H.R. 6147 would have generally funded all of the EPA accounts below the FY2018 enacted levels, but the reductions were not as large as requested.

Assistance to States

Funding is appropriated to EPA to support the agency’s primary responsibilities under multiple federal environmental pollution control statutes in coordination with states and tribes. Funding for implementation through delegated authorities was an issue in the FY2019 appropriations debate. EPA awards categorical grants to assist delegated states and local governments in implementing and enforcing federal requirements to control pollution. These categorical grants provide funding for state and tribal implementation of federal requirements, focusing on specific environmental media, wastes, or pollution sources. H.R. 21 and H.R. 266 would provide \$1.09 billion for FY2019 to fund state and tribal categorical grants compared to \$1.08 billion enacted for FY2018. The President proposed to reduce these grants to \$597.3 million for FY2019.

The President’s request also proposed to reduce funding to states from the LUST Trust Fund account by more than half from \$98.9 million enacted in FY2018 (including \$7.0 million in emergency funding provided in P.L. 115-123) to

\$47.5 million in FY2019. H.R. 21 and H.R. 266 would provide \$91.9 million for the LUST account for FY2019.

H.R. 21 and H.R. 266 also differ from the request for EPA water infrastructure programs for FY2019. Including funding in both Title II and Title IV, the House bills would provide a total of \$1.69 billion for the Clean Water State Revolving Fund (SRF) capitalization grants, \$1.16 million for Drinking Water SRF capitalization grants, and \$63.0 million for WIFIA—each the same as the FY2018 enacted levels—and \$70.0 million for grants authorized in the Water Infrastructure Improvement for the Nation Act (P.L. 114-322), a \$20.0 million increase above FY2018. The FY2019 request proposed \$1.39 billion and \$863.2 million for the Clean Water and Drinking Water SRFs, respectively, and \$20.0 million for WIFIA. The funding in H.R. 21 and H.R. 266 is the same as Senate-passed H.R. 6147 in the 115th Congress and an increase above House-passed H.R. 6147.

Agency Staffing

The size and structure of EPA’s workforce was a topic of debate for FY2018 and FY2019. For FY2019 the President requested a total of \$31.5 million for “workforce reshaping” in the EPM and S&T accounts combined. Neither H.R. 21 nor H.R. 266 specifies whether funding is provided for the workforce reshaping request. According to EPA’s FY2019 budget justification, the requested funding would support organizational restructuring across the agency. EPA planned to “develop, review and analyze mission requirements and implement options to effectively align and redistribute the Agency’s workforce based on program priorities, resource reallocation, and technological advances” and to examine “statutory functions and processes to eliminate inefficiencies and streamline” operations. EPA anticipated offering voluntary early out retirement authority, separation incentive pay, and relocation expenses.

Regulatory Prohibitions/Limitations

Several EPA regulatory actions have also received attention. “General Provisions” included in Title IV of H.R. 21 and H.R. 266 would generally restrict or prohibit the use of FY2019 funds by EPA for implementing or proceeding with certain regulatory actions, similar to those included for FY2018. These include provisions addressing air emissions, material, and wastes generated from various agricultural operations and lead content of ammunition and fishing tackle. House-passed H.R. 6147 in the 115th Congress had included additional provisions related to a broader range of regulatory actions across the various pollution control statutes. Among others, these included addressing the Waters of the United States rulemaking and enforcement of the final rule for “Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles.”

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