

**Testimony of the National Association of Clean Air Agencies
Provided to the Senate Appropriations Committee
Subcommittee on Interior, Environment, and Related Agencies
Regarding the FY 2019 Budget for the U.S. Environmental Protection Agency
April 3, 2018**

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to testify on the FY 2019 proposed budget for the United States Environmental Protection Agency (EPA), particularly grants to state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act (CAA), which are part of the State and Tribal Assistance Grant (STAG) program. NACAA recommends that Congress increase state and local air grants by \$75 million above FY 2018 levels (i.e., approximately \$151 million above the Administration's request), for a total of \$303 million. This level of federal support is calibrated to the scope and complexity of the federal requirements state and local agencies must meet to assume or continue implementation responsibilities. NACAA opposes the Administration's proposal to cut state and local air quality grants by 33 percent (from \$228 million in FY 2018 to \$152 million in FY 2019), which would be detrimental to the public's health and welfare. Additionally, NACAA recommends that these agencies be provided with flexibility to use the increased funds on the highest priority programs in their areas. Finally, NACAA requests that grants for fine particulate matter monitoring remain under CAA Section 103 authority, where matching funds are not required, rather than being shifted to Section 105 authority.

NACAA is the national, non-partisan, non-profit association of 156 local and state air pollution control agencies in 41 states, the District of Columbia and four territories. The members of NACAA have the primary responsibility under the Clean Air Act for implementing our nation's clean air program. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the United States. These observations and recommendations are based upon that experience. The views expressed in this testimony do not necessarily represent the positions of every state and local air pollution control agency in the country.

Increases in Federal Grants to State and Local Air Agencies Are Essential

State and local air pollution control agencies have struggled with insufficient resources for many years. NACAA members have faced the hard choices and made the difficult decisions to address their budget shortfalls. They have cut expenses, reduced staff, deployed Lean efforts and explored organizational realignments to maximize efficiencies in their programs. Addressing these funding shortfalls while effectively meeting federal requirements and implementing their missions has been very challenging for these agencies.

State and local air agencies' responsibilities have continued to grow while funding has lagged behind. Federal grants to state and local air quality agencies were \$228 million in FY 2018, which is the same amount these agencies received 14 years ago, in FY 2004. If the FY 2004 figure is adjusted for inflation, level funding would translate to approximately \$303 million

in today's dollars – a \$75-million difference. NACAA's recommendation of \$75 million above the FY 2018 amount is merely suggesting level funding from 14 years ago, adjusted for inflation.

Additional funds to adjust for inflation would support the Administration's approach of increased responsibilities for state and local agencies as part of its emphasis on "Cooperative Federalism." State and local air agencies are already underfunded and even now bear a disproportionate share of the cost of the national air program. In order to take on new clean-air efforts under Cooperative Federalism, they would need additional federal resources to support those activities.

Increased funding would allow agencies to make investments that will modernize and streamline their operations. It is critical that funds are allocated to ensure state and local agencies can meet the customer demands of automation through information technology (IT) systems, digitization (reducing labor-intensive paper processes) and mobility (ensuring digital collection of data in the field, e.g., compliance information). They could then improve services to the regulated community and the public, such as timely and efficient permit processing and streamlined regulatory operations and compliance assistance, all of which are in demand by customers and contribute to economic development. Such efforts can also enhance transparency and create added pathways for public access to information.

State and local agencies also would use increased grants to modernize their systems to keep pace with trends in the digital economy, as well as for a variety of mission applications, especially if they are provided with the flexibility to target grant increases for the highest priority activities in their areas, as NACAA recommends. These funds would be used to support their operations, equipment and facilities. State and local air quality agencies are required to carry out many essential activities to obtain and maintain healthful air quality. These include not only new efforts, but also ongoing day-to-day responsibilities that constitute the foundation or "core" of our programs. Some of these core responsibilities for FY 2019 include implementing the health-based national ambient air quality standards (NAAQS) for multiple pollutants, including developing and/or revising State Implementation Plans (SIPs) for each of the NAAQS – especially for ozone, fine particulate matter (PM_{2.5}) and sulfur dioxide; implementing new and updated air toxics Risk and Technology Review standards; addressing visibility and regional haze problems; arming citizens with information to protect themselves during catastrophic events (e.g., wildfires); and implementing motor vehicle and related fuels programs.

Completing all of these actions is resource- and labor-intensive and requires additional federal grant funds. These tasks include developing plans to bring areas from nonattainment into attainment; air resource planning; compiling comprehensive emission inventories; conducting complex modeling; analyzing extensive and complex data; adopting regulations; providing compliance assistance; inspecting facilities and enforcing regulations, as necessary; addressing complicated air pollution transport matters; issuing small business permits; and informing and involving the public in air quality decisions and issues.

One other major responsibility that is a critical element of state and local programs, and for which additional funds are needed, is the operation of ambient air monitoring equipment and networks. Monitoring is essential for determining the extent and location of air pollution and

assessing the effectiveness of planning, permitting and enforcement programs. Additional funds will ensure that agencies can continue to collect high-quality monitoring data, which regulators and the regulated community agree is crucial, as well as enable regular equipment replacement, as EPA requires in equipment-replacement plans. While the smaller individual samplers and sensors appearing on the market can provide helpful data, they are not a substitute for a robust national ambient monitoring program that provides necessary and quality-assured information for judicious decision-making by federal, state and local regulators and the regulated community.

Grant Cuts Will Severely Impair State and Local Programs

In light of the critical need for *increased* grant funding, state and local air agencies would find it difficult to accommodate *any* cuts to federal air quality grants. The cuts to state and local air quality grants contemplated in the FY 2019 budget proposal – approximately 33 percent – would mean many state and local agencies would not be able to fully implement the federal requirements of the CAA’s health-based standards and deliver the healthful air the public expects. Indeed, if Congress enacts the cuts being proposed for FY 2019, we fear more people will die prematurely and get sick unnecessarily.

When grant reductions were proposed last year, NACAA surveyed state and local air quality agencies to learn what a reduction of approximately 30 percent in federal air quality grants would mean to their programs.¹ In responding to the NACAA survey last year, agency after agency painted a similar picture of severe curtailments to their activities in the face of the proposed steep cuts: cancellation of programs, loss of staff and a diminished capacity to obtain and maintain clean air. Nearly every respondent reported that cuts of this magnitude would severely reduce the essential services agencies provide. These services are required not only by the general public, with respect to decreasing air pollution, maintaining clean air and generally protecting public health, but also by the regulated community, who require quick, consistent and defensible permitting, compliance assistance and other services.

Additionally, state and local air quality agencies reported that a 30-percent cut in grants could force them to turn some of their important Clean Air Act implementation work back to the federal government. This would be counter to the philosophy of Cooperative Federalism, which is intended to place even greater reliance on state and local air agencies.

Finally, without sufficient resources to carry out required mandates, regions of the country could be sanctioned under the CAA, including the withholding of significant federal highway funds, severe emissions “off-set” limits that could interfere with economic development and the possibility of EPA imposing Federal Implementation Plans on states.

Air Pollution Is Still a Significant Threat to Human Health in Spite of Improvements

Great strides have been made in lessening air pollution in this country. Yet, it remains a significant threat to human health and there is still so much work to be done. Tens of thousands

¹ NACAA Report, *Impacts of Proposed FY 2018 Budget Cuts on State and Local Air Quality Agencies* (May 22, 2017), <http://www.4cleanair.org/sites/default/files/Documents/NACAAFundingReport-FY2018.pdf>

of people in this country die prematurely each year and many others suffer serious health problems as a result of exposure to air pollution. These health complications include premature mortality, cancer, heart attack, stroke and neurological and reproductive damage.²

According to EPA figures, about 120 million people in this country (about 40 percent of the population) lived in counties that exceeded at least one of the federal health-based air pollution standards in 2015.³ With respect to hazardous air pollutants (HAPs), EPA's most recent National Air Toxics Assessment (NATA) indicates that in 2011 "all 285 million people in the U.S. ha[d] an increased cancer risk of greater than 10 in one million," while one-half million people had an increased risk of cancer of over 100 in a million, due to exposure to HAPs.⁴

While Congress as a whole and this Subcommittee specifically must find funding for many serious problems, it is unlikely that any are a greater threat to the health of Americans than air pollution. This Subcommittee has an opportunity and obligation to protect and improve the health of millions of people in this country by providing adequate federal funding for state and local air pollution control programs.

NACAA Recommends that Monitoring Grants Remain Under CAA Section 103 Authority

The Administration's recommended budget calls for EPA to shift funds for PM_{2.5} monitoring from Section 103 authority, under which state or local matching funds are not required, to Section 105, which would require a match. NACAA recommends that these PM_{2.5} monitoring grants remain under Section 103 authority. If a state or local agency is unable to meet the matching requirements, retaining the funds under Section 103 will ensure that they do not have to refuse essential monitoring funds because they do not have the resources for the match. In previous years, Congress has been responsive to our requests on this issue, for which we are extremely grateful, and NACAA recommends again that these grants remain under Section 103 authority.

Conclusion

NACAA recommends that Congress increase state and local air grants by \$75 million above FY 2018 levels (i.e., approximately \$151 million above the Administration's request), for a total of \$303 million. NACAA opposes the Administration's proposal to cut state and local air quality grants by 33 percent (from \$228 million in FY 2018 to \$152 million in FY 2019). Additionally, NACAA recommends that state and local agencies be provided with flexibility to use the increased funds on the highest priority programs in their areas. Finally, NACAA requests that grant funds for PM_{2.5} monitoring remain under Section 103 authority, rather than being shifted to Section 105 authority.

Thank you for the opportunity to submit testimony on these important programs and for considering the funding needs of state and local air quality agencies.

² EPA Report *Our Nation's Air: Status and Trends through 2016*, <https://gispub.epa.gov/air/trendsreport/2017/#sources>

³ *FY 2019 EPA Budget in Brief* (February 2018), page 16, <https://www.epa.gov/sites/production/files/2018-02/documents/fy-2019-epa-bib.pdf>

⁴ <http://www.epa.gov/national-air-toxics-assessment/2011-nata-assessment-results>