

**Testimony of the National Association of Clean Air Agencies
Provided to the House Appropriations Committee
Subcommittee on Interior, Environment, and Related Agencies
Regarding the FY 2018 Budget for the U.S. Environmental Protection Agency
May 25, 2017**

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to testify on the FY 2018 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. Specifically, NACAA strongly opposes the Administration's proposal to cut state and local air quality grants by 30 percent (from \$227.8 million in FY 2017 to \$159.5 million in FY 2018) and is very concerned about the significant hardship this will pose on the public's health and welfare. We ask that Congress, at a minimum, continue to fund these grants at last year's level. Additionally, NACAA requests that grant funds for fine particulate matter monitoring remain under Section 103 authority, rather than being shifted to Section 105 authority.

NACAA is a national, non-partisan, non-profit association of state and local air pollution control agencies in 45 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.

Steep Cuts Will Have Devastating Impacts on State and Local Programs

For many years, state and local air pollution control agencies have struggled with insufficient resources and have done what they could to address their budget shortfalls. However, due to economic hardships, states and localities increasingly rely on federal grants. Unfortunately, since grant levels have essentially remained flat in recent decades, taking inflation into consideration, grant funding has actually decreased by nearly 17 percent since 2000.

State and local agencies would find it difficult to accommodate *any* cuts to federal air quality grants; additional cuts of 30 percent would be devastating. Such reductions would severely impede the ability of many agencies to continue essential programs and, in the most extreme cases, some smaller local agencies could conceivably have to close down entirely. With such cuts, many state and local air pollution control agencies will have trouble fully implementing the CAA's health-based air standards and delivering the clean and healthful air the public deserves. Additionally, these agencies and their regions could be subject to harsh sanctions under the CAA, including the withholding of millions of dollars in 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.

Maintaining funding for state and local agencies will not only protect public health, but will also allow them to continue to provide services to the public and the regulated community, such as more expedited permit processing, compliance assistance and streamlined regulatory operations. These services, if adequately funded, contribute to economic development and administrative efficiencies.

NACAA recently 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 The results reveal a very disturbing picture: cuts of the magnitude proposed would likely have a devastating impact on their efforts to provide healthful air quality for the public. Indeed, if Congress enacts such cuts, we fear more people will die prematurely and get sick unnecessarily.

In responding to the NACAA survey, agency after agency painted a similar picture of severe curtailments to their programs in the face of the steep cuts being proposed: cancellation of programs, loss of staff and a diminished capacity to obtain and maintain healthful air quality. Nearly every respondent reported that cuts of this magnitude would severely reduce the benefits the agencies can provide. These include not only to the general public, with respect to decreasing air pollution, maintaining clean air and generally protecting public health, but also to the regulated community, in terms of permitting, compliance assistance and other services.

The respondents provided a long and varied list of ways in which a 30-percent reduction would impact state and local air quality, affecting nearly every function they perform. They identified many activities to be reduced and/or eliminated, including monitoring, inspections, enforcement, permit issuance, compliance assistance, data analysis, equipment maintenance and complaint response, along with losing staff who are needed to do all that work, among others.

The impacts of these reductions are far reaching. Numerous agencies reported that they would be operating at a bare minimum level and that the services they provide the public would be limited or even eliminated. Perhaps most importantly, efforts to obtain healthful air quality and maintain clean air would suffer as a result of these resource constraints on their programs.

Agencies also reported that their state or local governments, which already provide the lion's share of funding for clean air programs, would not be able to make up for the reductions in federal grants through additional state or local appropriations, general funds, grants or other contributions. Additionally, several agencies noted that they could consider increasing fees to address the shortfall, but that gaining approval for additional fees is unlikely as well.

Finally, 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. Since local communities, including many regulated entities, generally prefer working with their local and state agencies (as opposed to EPA), the return of responsibilities to the federal government would be a tremendous loss. Additionally, since the

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>

proposed budget calls for sharp cuts to EPA's operating budget as well, the agency would not be in a good position to take on the tasks that the state and local agencies can no longer carry out.

While the responses taken as a whole provide an overall impression of the adverse impacts of the proposed grant reductions, reading what state and local agency officials said in their own words about their individual agencies offers a sense of the harm these critically important programs and public health would suffer. A sampling follows:

"A cut in our federal grant of 30 percent would impose serious and adverse impacts on our individual state and collective ability to effectively run our air pollution control programs. There would very likely be many more people in our state getting sick and possibly dying as a result of these budget cuts."

"We are insufficiently staffed to assure citizens are protected from asbestos. Asbestos is a carcinogen and was widely used in buildings...Our current staffing...is only able to inspect 8% of the structures. This inability to verify compliance places the public directly at risk."

"Without question, a cut of 30 percent to the already-reduced funding levels would devastate our program...[W]e would be forced to cut our staffing by at least one-third...a reduction in staffing along the proposed lines would significantly delay the issuance of permits for new construction."

"If you cut back on enforcement programs, such as inspections and compliance assistance, your regulated community tends to be out of compliance more of the time. This can result in increased emissions which affect the health of your citizens."

"Because we are at the federal minimum for our air monitoring network and unable to fully meet our planning, inventory, and asbestos compliance requirements, a reduction of 30% would be devastating. We clearly would be unable to meet the federally-mandated responsibilities."

"The state and local funding cuts combined with the proposed 30% federal funding cut will result in about a 72% reduction in [our] overall budget. This will significantly impact [our] ability to be here at all, and if we are still here, it will be at a 60-70% decreased staffing level leaving us with 7-10 FTEs to manage a 6 county area. At this level, we will not be able to meet the core requirements of the state contract and federal grants."

"A reduction of federal funds may result in an air quality monitoring network that does not meet federal requirements."

"These cuts ignore reality; because we still have to meet all the existing federal requirements...When we fail, due to a lack of resources, it will be local taxpayers who bear the burden of paying environmental groups' legal fees."

"We'd no longer do any air toxics work."

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

There are many important problems that fall under this Subcommittee's jurisdiction, but it is unlikely that any pose more of a threat to public health than air pollution. In fact, tens of thousands 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 include, among other things, premature mortality; cancer; and cardiovascular, respiratory, neurological and reproductive damage.² This Subcommittee has the opportunity to address very serious public health and welfare problems by providing adequate federal funding for state and local air agencies' efforts.

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 National Air Toxics Assessment (NATA) indicate 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 have an increased risk of cancer of over 100 in a million, due to exposure to HAPs.⁴

While we have made great improvements in air quality in this country and even though the programs under the Clean Air Act have provided significant health and welfare benefits, air pollution remains a significant threat to human health and there is much work to be done.

NACAA Recommends that Authority for Monitoring Grants Remain Under Section 103

EPA has proposed to begin shifting funds for PM_{2.5} monitoring from Section 103 authority, where no state or local matching funds are needed, to Section 105, which would require a match. We recommend that the funds remain under Section 103 authority. For individual agencies that have concerns about the matching requirements, this will ensure that they do not have to refuse essential monitoring funds because they do not have the resources for the match. In past years, Congress has been very responsive to our requests on this issue, for which we are very grateful, and we recommend that Congress again retain these grants under Section 103 authority.

Conclusion

NACAA strongly opposes the Administration's proposed decrease of 30 percent in grants to state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act for FY 2018, as part of the State and Tribal Assistance Grant (STAG) program (decreasing grants from \$227.8 million in FY 2017 to \$159.5 million). We recommend that Congress provide funding at last year's level, at a minimum. We further request that grants for PM_{2.5} monitoring remain under Section 103 authority, rather than being shifted to Section 105 authority.

Thank you for this opportunity to testify on this important issue and for your consideration of the funding needs of state and local air quality programs.

² *FY 2014-2018 EPA Strategic Plan* (April 10, 2014), page 8

³ *FY 2018 EPA Budget in Brief* (May 2017), page 11, <https://www.epa.gov/sites/production/files/2017-05/documents/fy-2018-budget-in-brief.pdf>

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