

November 1, 2023

Janet McCabe
Deputy Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Ms. McCabe:

On behalf of the National Association of Clean Air Agencies (NACAA)¹, we wish to provide you with recommendations related to the U.S. Environmental Protection Agency's (EPA's) proposed FY 2025 budget, which is currently under development at the agency and is expected to be announced in early 2024. NACAA's recommendations specifically relate to federal grants to state and local air quality agencies under Sections 103 and 105 of the Clean Air Act (CAA) – a critical source of funding for those agencies, which are working tirelessly to protect public health and the environment.

The CAA places the primary responsibility for implementing the federal air pollution program on state and local clean air agencies, which is an enormous undertaking that calls for monitoring, issuing permits, planning, developing emission reduction strategies, enforcing requirements, educating the public, training staff and carrying out a host of other activities. Additionally, these agencies are increasingly tasked with new and high-priority responsibilities to reduce air pollution, address environmental justice and tackle climate change. Unfortunately, this simply cannot be accomplished with current levels of funding.

Based upon input from state and local air agencies about the funding that will be needed to meet their current and expected obligations, NACAA has the following recommendations for EPA and Congress related to federal funding for state and local clean air agencies in FY 2025:

- Provide \$500 million in federal grants to state and local air agencies to carry out current programs and new challenges expected in the near future. This is an increase of approximately \$251 million over the amount for FY 2023 (\$249 million).
- Allow flexibility for state and local air agencies to use federal grants for the highest-priority needs in their areas.

¹ NACAA is a national, non-partisan, non-profit association of 157 air pollution control agencies in 40 states, including 117 local air agencies, the District of Columbia and five territories. The air quality professionals in NACAA's member agencies have vast experience dedicated to improving air quality in the United States. These comments are based upon that experience. The views expressed in this document do not represent the positions of every state and local air pollution control agency in the country.

- Retain fine particulate matter (PM_{2.5}) monitoring funds under Section 103 authority, so agencies are not required to provide matching funds in order to obtain the grants.
- Provide grant increases under authorities of the CAA that do not require matching funds (e.g., Section 103) as much as possible. This will allow agencies that do not have sufficient matching funds to still obtain the grants.

The Inflation Reduction Act (IRA)² includes essential and very welcome funding for state and local air agencies to address climate change in particular. However, the IRA funds are not a substitute for the increases NACAA is recommending, which are intended to make up for the historical deficits in state and local grant funding and bring the appropriations to the level they should be for these agencies to carry out their ongoing responsibilities. Additionally, the increase to state and local air grants NACAA is recommending would be a permanent addition, unlike the IRA funding, which is for a set number of years. Finally, the successful implementation of the IRA will likely increase the responsibilities typically borne by state and local air agencies' core programs, but for which the measure did not allocate specific additional funding.

We wish to note that the increases we are recommending are not necessarily the full amount needed and, as inflation continues to raise the costs of every element of our programs, even greater funding will likely be required in the future. In the face of already insufficient funding and the burden of rising costs, state and local air agencies will find it increasingly difficult to take on the new responsibilities that are headed their way without adequate funding.

We urge EPA to consider these recommendations when developing proposed funding levels for FY 2025. Thank you for your consideration and we look forward to discussing these issues with you further. Please do not hesitate to contact Mary Sullivan Douglas (mdouglas@4cleanair.org) or Miles Keogh (mkeogh@4cleanair.org) of NACAA, or either of us, if you need additional information.

Sincerely,



Michelle W. Owenby
Tennessee
NACAA Program Funding
Committee Co-Chair



Rollin Sachs
Johnson County, Kansas
NACAA Program Funding
Committee Co-Chair

cc: Joseph Goffman, Principal Deputy Assistant Administrator, Office of Air and Radiation
Faisal Amin, Chief Financial Officer, Office of the Chief Financial Officer

² <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>