

December 19, 2023

The Honorable Shalanda D. Young Director Office of Management and Budget 725 17th Street, NW Washington, DC 20503

Dear Director Young:

On behalf of the Environmental Council of the States (ECOS), the nonpartisan, nonprofit association of state and territorial environmental agency leaders, I am writing to urge you to include increased funding for delegated, authorized, and primacy state and territorial program implementation in the FY25 President's Budget request to be issued in early 2024.

State environmental agencies are the primary implementers of our nation's environmental laws, implementing all air programs and almost every drinking water, hazardous waste, and water pollution control program across all states. In coordination with EPA and others, states carry out regulatory and nonregulatory programs that protect critical water, air, and land resources.

Categorical Grant funding to states is the most significant federal support for core day-to-day delegated program activity and state staff capacity. In FY2002, State & Tribal Categorical Grants received \$1.1B. Two decades later, funding is \$1.16B, having increased by only \$60M over 21 years. While annual appropriations have fluctuated year-to-year, \$1.16B is generally equivalent to less than \$3M increase per year across *all* Categorical Grant programs, which is then further divided among eligible states, territories, and tribes.

At the same time, the U.S. EPA is continually adding new environmental programs for states to implement. In addition, inflationary pressures impact the ability of states to keep up with recruitment and retention of key staff given the rising cost of living. There is also an increasing need to invest in modern infrastructure like electronic permitting and air monitoring networks and a corresponding need for analysis of growing volumes of environmental monitoring data. As a result, while federal support to states to carry out the nation's environmental laws has stagnated, the complexity and costs of implementation have only grown.

Out of 21 Categorical Grants issued in FY23, Congress apportioned half of all funding, \$592M out of \$1.16B total, to three critical environmental programs — State and Local Air Quality Management (CAA §§103, 105, and 106), Pollution Control (CWA §106), and Resource Recovery and Hazardous Waste (formerly Hazardous Waste Financial Assistance) (RCRA §3011) — to promote the prevention, reduction, elimination, and control of water, air, and hazardous waste pollution delegated to the states by the federal government. States and tribes are obligated to match federal funding by 40, 50, and 25% respectively, but continuously need to provide expenditures far greater than these match amounts to properly implement these environmental programs.

As stated in an <u>ECOS resolution</u>, states urge the White House through the President's Budget request for U.S. EPA to financially support state environmental program implementation efforts commensurate with the complexity and breadth of federal requirements. This funding will enable us to fulfill our obligations to our communities while also helping to meet the objectives specified in U.S. EPA's FY2022-2026 Strategic Plan.

Infrastructure funding is another critical component of state capacity building for environmental progress and state technical assistance to communities, and accordingly, ECOS joined other state and national environmental finance and water associations in writing to the White House on December 13, seeking full funding at authorized levels for the Clean Water and Drinking Water State Revolving Funds (SRFs) at \$3.25B, each, in the President's FY25 budget request.

Thank you for your support of environmental programs and consideration of our continuing request to increase funding for states in the President's FY25 budget request. This funding is necessary to ensure the future sustainability of states as the primary implementers of our nation's environmental programs.

If you have any questions or suggestions, please do not hesitate to contact me or have your staff contact Ben Grumbles (<u>bgrumbles@ecos.org</u>) or Beth Graves (<u>bgraves@ecos.org</u>) of the ECOS staff.

Sincerely,



Elizabeth Biser

ECOS President and North Carolina Department of Environmental Quality Secretary

cc: Laura Hayes Gillam, Associate Director for Climate, Energy, Environment, and Science,
Office of Management and Budget
Honorable Michael Regan, Administrator, U.S. Environmental Protection Agency