

The States Environmental Agencies'

Proposal

***for EPA's 2011 Categorical Grants
STAG Budget***

(State and Tribal Assistance Grants Budget)

prepared by

The Environmental Council of the States (ECOS)

with the cooperation of:

Association of American Pesticide Control Officials

Association of State Drinking Water Administrators

Association of State and Interstate Water Pollution Control Administrators

Association of State and Territorial Solid Waste Management Officials

National Association of Clean Air Agencies

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Executive Summary

In this document, the States respectfully submit their budget priorities for the categorical grants portion of the U.S. Environmental Protection Agency's budget that supports States, tribes, and local governments, known as the State and Tribal Assistance Grants (STAG).

For 2011, the States are documenting needs for just over \$2 billion in categorical program grants for State and tribal governments. Our base request is a 2% increase above 2010 appropriations to address inflation.

We are also placing special emphasis on core programs and on programs with multi-programmatic, cross-media impacts. Core programs include air, wastewater, drinking water, pesticides, and waste. For wastewater we place an emphasis on nutrients management and wetlands. For drinking water, the emphasis is on support for new rules, data management, and science-based standards. For air programs we emphasize the 105 grant re-allocation. For waste programs, the priority is corrective action funding.

For the multi-programmatic, cross-media programs, we include: the use of "lean" techniques, mercury reductions, climate change, enforcement, and children's health, data management, and other programs.

ECOS and our sister associations are prepared to present additional details and suggestions as requested, including in testimony on any hearings as might be held on the President's budget proposal.

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About The Environmental Council of the States (ECOS)

The Environmental Council of the States (ECOS) is the national non-profit, non-partisan association of State and territorial environmental agency leaders.

The purpose of ECOS is to improve the capability of State environmental agencies and their leaders to protect and improve human health and the environment of the United States of America.

Table of Contents

The States Environmental Agencies' Proposal for EPA's 2011 Categorical Grants STAG Budget (State and Tribal Assistance Grants)

What the States Contribute to our National Environmental Protection System	1
2011 STAG Budget Proposal.....	2
Part 1: Core Programs' Documented Need for Categorical Grants	3
Budget Justifications for Documented Need	3
Clean Air Programs.....	3
Clean Water Programs	5
The Top Priorities for the wastewater program are allocation of funds to deal with nutrient issues and support of wetlands program implementation.....	5
Waste and Related RCRA Programs	12
FIFRA - Pesticides Programs.....	15
Lead Abatement	16
Part 2. Cross-Programmatic Budget Priorities.....	16
LEAN	16
Enforcement	17
Children's Health	17
Climate	18
Mercury	18
Data Management	19
Other Suggestions	20

The States Environmental Agencies' Proposal for EPA's 2010 Categorical Grants STAG Budget (State and Tribal Assistance Grants Budget)

What the States Contribute to our National Environmental Protection System

Our nation's environmental protection is dependent on a solid partnership between the U.S. Environmental Protection Agency and the State and territorial environmental agencies. State environmental agencies are responsible for implementing nearly all of the core environmental programs that protect public health and our nation's air, land, and water resources.¹ Most of the major Federal environmental statutes are designed for States to assume authority over the Federal programs under the oversight of the U.S. Environmental Protection Agency (EPA). In 1992, EPA had delegated only 40% of these programs to the States, but by 2007, 96% of these programs have been delegated to the States. States are the implementing agencies for nearly all of the nation's environmental and public health laws.

In recognition of this key role in environmental service delivery, Congress included provisions in the Clean Water Act (CWA), the Safe Drinking Water Act (SDWA), the Clean Air Act (CAA), and the Resource Conservation and Recovery Act (RCRA) to provide assistance to States to operate these Federal programs. A State match is usually required under these statutes, and States now provide well over half (in most States, two-thirds) of the funds needed to operate Federal programs. States also operate their own programs that address State-specific needs. These do not require Federal funds but contribute significantly to the public health and environmental quality of the nation.

These core environmental protection activities required by Federal (and State) law include permitting, inspections, enforcement, monitoring, standard setting, site cleanup and more. For example, States conduct 97% of the inspections at regulated facilities; provide 94% of the data in EPA's six major databases; conduct over 90% of all enforcement actions; and are first responders at spills, cleanups, and natural disasters.

These core environmental protection activities required by Federal (and State) law include permitting, inspections, enforcement, monitoring, standard setting, site cleanup and more.

To fund these activities, Congress provides assistance to States primarily through State and Tribal Assistance Grants (STAG), which are composed of two parts: Categorical Grants (which assist with the operation of delegated programs) and Infrastructure funds (which are used primarily by local governments). Over the years that States have operated Federal programs, State environmental agencies have successfully leveraged funding to support those programs to the point where Federal funding has been reduced to about one-third of the cost of program operation.

¹ We also recognize the significant role played by local governments and tribes. In this document we acknowledge that we do not speak on behalf of other grantees, such as the tribes. However, this year we have again coordinated our proposal for programs administered by other agencies such as the pesticides programs administered by the State agricultural departments.

From the States' point of view the Categorical Grants funds are essential to provide resources to meet congressional requirements for public health and the environment.

Recent Changes in Federal Support for State Programs Reverse an Adverse Trend

In the period 2005-2008, reductions in EPA's STAG budget were the largest in EPA's history. Fortunately, this trend stopped with the 2009 budget-as-passed and the 2010 budget proposals. The 2009 budget provided significant increases in the Infrastructure part of the STAG budget and modest increases for parts of the Categorical Grants budget.

However, the number of new rules issued by EPA with a "State impact" is growing at a very rapid rate, with 100 rules on this list for 2007 and 2008, with the 2009 list due in Fall of 2009. In the meantime, the agency plans to promulgate many new rules which States will be expected to implement. States do not usually oppose these rules, but we recognize that their implementation comes with a price that must be paid by someone.

The 2009 budget provided significant increases in the Infrastructure part of the STAG budget and modest increases for parts of the Categorical Grants budget.

Furthermore, according to EPA, during the period 2001-2009, inflation was about 24% and Categorical Grants rose by 11%, a decrease of 13% in purchasing power. The combination of increasing demands on the States from new rules, and the reduction in purchasing power from inflation is a significant impediment to successful State implementation of delegated programs.

States also recognize that cross-programmatic (cross-media) effects continue to be at the forefront of many of our challenges. We address these issues herein.

The combination of increasing demands on the States from new rules, and the reduction in purchasing power from inflation is a significant impediment to successful State implementation of delegated programs.

2011 STAG Budget Proposal

The States' budget proposal will again this year address the Categorical Grants portion of the STAG budget. We support the administration's approach as provided in both the ARRA (stimulus) bill and in the 2010 budget proposal with respect to infrastructure.

In this year's proposal, we are placing special emphasis on core programs and on programs with multi-programmatic, cross-media impacts. Core programs include air, wastewater, drinking water, pesticides, and waste. For wastewater we place an emphasis on nutrients management and wetlands management, and for air programs we emphasize the 105 grant re-allocation. Part 1 of our proposal addresses these matters.

For the multi-programmatic, cross-media programs, we include: the use of "lean" techniques, mercury reductions, climate change, enforcement, and children's health. Part 2 of our proposal addresses these matters.

Flexibility

The States continue to ask for flexibility to State and tribal governments to manage their environmental programs, provided that States can demonstrate that such flexibility will lead to improved results through the implementation of the National Environmental Performance Partnership System (NEPPS). NEPPS is designed to allow States more flexibility to operate their programs, while increasing emphasis on measuring and reporting environmental improvements. Performance Partnership Grants will continue to allow States and tribes funding flexibility to combine Categorical program grants to address environmental priorities.

Part 1: Core Programs' Documented Need for Categorical Grants

The Categorical Grants section of STAG includes the congressionally mandated programs that have been largely delegated to the States. These programs stem directly from the major environmental statutes and EPA regulations and guidance. These programs provide the basic public health benefits and the most appropriate environmental protection, and they are the law of the land.

ECOS and our sister associations have compiled information on the States' program needs based on the workload of Federal rules, policies, and guidances that affect us. This is attached in the spreadsheet budget that follows.

Budget Justifications for Documented Need

This year we present detailed budget justifications for the need as the States see it. These are based on the workload that US EPA has indicated it will expect of the States in Fiscal 2011. For the most part these are new or significantly modified rules that States must implement on behalf of the Federal government in 2011. Also included are impacts of known guidance, policies and initiatives in which EPA expects the States to play a major role.

Clean Air Programs

The **Top Priority** for the Air Program is an equitable reallocation of 105 funds, to be distributed in a manner in which States that are receiving a declining percentage of the funds are held harmless (i.e., receive a base equal to the previous year), while States receiving an increasing percentage of the funds get their increases. This scenario can only occur if the 105 allocation is increased. The additional amount needed is \$46 million for this fiscal year.

EPA has delegated authority for primary implementation of the programs authorized in the Clean Air Act to all 50 States. Federal grants are very important to State and local air agencies' efforts to improve and maintain air quality. Unfortunately, grants under Sections 103 and 105 of the Clean Air Act have been far short of what is needed and, due to inflation, represent a decreasing budget in terms of purchasing power. Recent annual appropriations have been approximately \$200 million to \$226 million, rather than the \$600 million that is needed to support these important programs. While significant funding increases are warranted, we recognize not only the many competing priorities for Federal assistance, but also the state of the current economic climate means that full funding is not viable at this time.

In addition to the ongoing activities for which funding is inadequate, including monitoring emissions, developing emissions inventories, conducting sophisticated modeling of emissions impacts, inspecting sources of pollution, conducting oversight and enforcement, providing technical assistance to regulated sources and responding to citizens' complaints, State and local agencies will face additional responsibilities. These include the following:

- State Implementation Plans (SIPs) for the 2006 PM_{2.5} standard are due April 2012 and SIPs for the new ozone standard are due in 2012 and 2013. Significant work on these SIPs will occur during FY 2011. SIP work will include development of emission inventories, significant expansion of the current ozone monitoring network in accord with a pending ozone monitoring proposed rulemaking, and adoption of regulations. States will also need to address section 110(a)(2)(D) of the Act, which requires elimination of emissions that significantly contribute to downwind nonattainment or interfere with maintenance.
- State and local agencies must continue implementation efforts related to the existing NAAQS, including inspections and enforcement.
- EPA will likely still be working on a new interstate transport rule (to replace vacated CAIR). If EPA finalizes a rule during this time period, States will need to revise their SIPs to include their rule or adopt the EPA Federal Implementation Plan (FIP).
- States must submit their designation recommendations to EPA for the lead NAAQS on October 15, 2009. They will be finalized after September 2010, during fiscal 2011. States need to deploy a new comprehensive network of source- and population-based lead monitors, analyze monitoring data to determine which areas do not attain the lead standard and also determine the boundaries of the nonattainment areas. The designation process usually involves substantial discussions with local and State elected officials and discussions with regional EPA offices and sometimes EPA headquarters, as nonattainment designations bring with them added control obligations.
- EPA will likely be working on greenhouse gas rules under new legislation, the Clean Air Act, or State initiatives during FY 2011. Once GHGs are a "regulated pollutant" under the Federal law, PSD/NSR and Title V permitting may come into effect, especially if the CAA is the basis. That means if EPA were to issue a final rule regulating GHGs in FY2010 or FY2011, States and localities would need to include GHGs in Title V permits and PSD permits.
- State and local air agencies will be asked to accept delegation of regulations to address emissions of hazardous air pollutants from small, or "area" sources, necessitating significant effort and resources to address emissions and issue permits, as needed, for literally thousands of sources.
- EPA will continue the process of reviewing all the MACT standards to determine what additional measures are necessary to address "residual risk" and issuing amendments to the MACTs as needed. State and local air agencies will continue to implement these residual risk standards during FY 2011.

- EPA expects to issue a MACT standard to replace the vacated Industrial Boiler standard in the summer of 2010. Before the new standard is issued, State and local air agencies must issue permits for these sources that reflects case-by-case MACT. After the new standard is promulgated, agencies must implement the new Federal rule, mostly in FY2011.
- There are currently multiple air monitoring networks (Air Toxics Monitoring, Visibility – IMPROVE & Regional Haze, Ozone and Photochemical Assessment Monitoring Stations (PAMS), Fine Particles PM2.5 Mass & Chemical Speciation, Inhalable Particles – PM10, Acid Deposition – CASTNet, lead monitoring, Mercury Deposition Network, etc) run by multiple agencies (EPA, National Park Service, Forest Service, USGS, etc) some of which are managed under a [National Ambient Air Monitoring Strategy](#). It would appear that some additional efficiency could be realized by further regionalizing and synergizing these networks.

Clean Water Programs

The **Top Priorities** for the wastewater program are allocation of funds to deal with nutrient issues and support of wetlands program implementation.

Section 106. Section 106 of the Clean Water Act authorizes funding to the States and Interstate Commissions to assist them in preventing, reducing, and eliminating pollution of the nation's waters, including enforcement. The States administer the core components of the Clean Water Act, overseeing the quality of State waters, issuing water pollution control permits, restoring and protecting watersheds, and ensuring compliance with the Clean Water Act.

The States' involvement with the support of adequate Section 106 funding is key to the implementation of the Clean Water Act and the protection of the nation's waters. Without it, the permitting and other State water programs would cease and the nation's waters would revert to waste streams.

In the year 2006, with \$216 million in Federal funding the States accomplished the following plus many other activities:

- Oversaw more than 70,000 permitted discharges to waters, plus 450,000 stormwater discharges.
- Reviewed more than 100,000 discharge permits.
- Undertook 90% of all Clean Water Act enforcement actions.

In 2002, an analysis of the need for funding to the States for these and other activities was completed by EPA and the States. It found there was a gap of \$800 million per year. Unfortunately, since this study, only limited additional resources have been directed to this critical program and they have been directed toward specific additional tasks, not the underlying need.

EPA has not requested the increased funding needed for section 106 in the Federal budget process. In fact, the only limited requests that EPA made to increase funding over the past several years have been for specific new EPA initiatives. In addition, the critical funding shortage is more exacerbated when EPA is inflexible about how certain funding can be used.

The States provide a minimum match based on actual expenditures to this program which is often over 200% compared to the Federal 106 contribution. Thus, the Federal funding is leveraged and the nation's waters are protected. Day-to-day management of the program is done at the State level which allows for regional flexibility and local involvement. Yet, the Federal government has oversight of the State programs to provide for a level playing field across the nation.

Section 106 provides the only Federal funding for the baseline programmatic needs of the States. It allows States to direct resources to the areas in their programs that need the most attention. This funding is integral to the States' continued involvement with Clean Water Act activities. In a very direct way, inadequate funding adversely impacts the quality of the nation's waters.

Section 319. Nationally, Clean Water Act (CWA) §319 funds are used for protection and restoration efforts for water bodies primarily impaired by non-point sources. The majority of the water bodies on the CWA §303(d) list are impaired as a result of non-point source pollution. Water quality improvements in these waters are only accomplished through Federal, State, and Local efforts, which include addressing the following: high levels of sediments and nutrients due to agriculture and land development, dissolved oxygen impairments, high phosphorus loads, high turbidity, pathogen impairments, total suspended solids impairments stream from bank modification/destabilization, toxic metals from mines, and acid mine drainage.

According to the most recent (2004) Clean Watersheds Needs Survey (CWNS), total NPS needs are \$38 billion over 20 years or \$1.9 billion annually on average. Additionally, the CWNS does not include data from all States and all non-point source categories, and is based on 2004 dollars.

In the last five years, the annual appropriation for CWA §319 has been approximately \$200 million per year and of that, States across the country received an annual allotment of anywhere from \$1.0 million to \$10 million, depending on each fiscal year. The current level of §319 funding provided to States is not sufficient to run a comprehensive non-point source program. For example, States in the Northeast have reported that they could utilize 100% to 500% more §319 funding than is currently allocated to them. The projections are likely much larger for mid-western States.

While States were hopeful that USDA Farm Bill funding could be part of the solution, in most States those programs do not give water quality a priority or are not coordinated with water quality programs.

Wetlands. ECOS proposes expansion of Federal support to include funding for implementation (not just development) of wetland protection programs. While we understand there is currently a statutory obstacle to this, legislation is under consideration to remove this obstacle. In the aftermath of various Federal court cases affecting jurisdiction, States have expanded their programs to include waters previously protected only under Federal law. In addition, States are interested in seeking delegation of section 404, but the absence of funding was one of the major obstacles that prevented States from implementing the program, according to an EPA Office of Water study.

Section 104(g)(1). Section 104(g)(1) of the Clean Water Act authorizes funding for the Wastewater Treatment Plant Operator On-Site Assistance Training. The program addresses non-compliance at small publicly-owned wastewater treatment plants that have a discharge of less than 5 million gallons per day (MGD). The need for individualized technical assistance is real. There are more than 15,000 municipal

wastewater treatment plants in the U.S., of which 14,000 (>93%) discharge less than five MGD. More than half have sophisticated activated sludge treatment technologies that require highly-developed operating skills. Investing in training provides hands on support for the proper operation and maintenance of the nation's vast wastewater infrastructure investment.

State programs funded by Section 104(g) have been highly effective and produced significant environmental improvements for a very modest investment. In 2006, at an average Federal cost of about \$1,800 per facility, the program:

- Assisted 659 facilities, of which 566 achieved or maintained compliance, or improved performance - a 86% success rate and;
- Completed training at 335 of these facilities, of which 316 achieved or maintained compliance, or improved performance - a 94% success rate.

In a cooperative effort with EPA, States, Municipalities, and Operators, 104(g) assistance focuses on issues such as wastewater treatment plant capacity, operation training, maintenance, administrative and financial management, trouble-shooting, and laboratory operations. Plant operating staff and local elected officials work together to improve water quality through efficient use of treatment equipment for maximum environmental benefit. This program was a win-win for everyone and provided credibility for State water programs.

No CWA 104(g) funding was dedicated through the Federal budgeting process for FY'08 – the program was eliminated and States are losing their capacity to assist small local wastewater facilities. This negatively impacts attainment of CWA program goals.

Drinking Water Programs

The **Top Priorities** for drinking water are:

- **Support for Implementation of Recently Promulgated Drinking Water Rules** (especially, the Ground Water Rule and LT 2/Stage 2; also preparing to implement the new Total Coliform Rule – expected in FY 2012): States obviously need funding support, but also technical support from EPA for their efforts. EPA is the logical choice to provide rule guidance, rule training, and other rule implementation tools for States and water systems. This prevents the reinvention of support materials in 50 States and promotes more consistent implementation of rule requirements.
- **Data Management Tools:** Data are the key to effective implementation of rules and measurement of our success. EPA needs to continue to support development of SDWIS/State and related automation tools so States can effectively implement the rules and efficiently communicate with EPA.
- **Health-based Science to Support Decisions about Emerging Contaminants:** EPA needs to continue the science based process of establishing health based standards and rules. Most States do not have the resources to conduct the research necessary to do this on their own and must rely on EPA.

The categorical grant for Public Water System Supervision (PWSS) is the principal source of Federal funding for State drinking water programs to administer all of the 90+ Federal rules and requirements and all of the Federal requirements associated with these programs. All but one State (Wyoming) has taken on “primacy” obligations to implement the Federal rules.

Qualitative Justification for Recommended Level

- **Pre-Existing State Resources “Gap”:** An extensive recent survey of all 50 States estimated a nationwide gap of \$360 million annually between the funds needed to administer their programs and available funds.
- **New Requirements:** In addition to the ongoing need to adequately fund existing responsibilities and obligations, several new “risk-based” Federal rules have been promulgated in the past few years. The actual on-the-ground implementation of the rule needs to be tailored to the health risk posed at individual drinking water utilities. State drinking water programs are the entities that must undertake this work. The following are the most prominent of the new requirements:

a. Lead and Copper Rule (LCR): In the wake of the D.C. lead-in-drinking water crisis of a few years ago, EPA promulgated a series of changes to this important rule (affecting virtually all water systems in the U.S.) designed to minimize the amount of lead in drinking water; with a particular focus on lead in schools. The short term revisions will strengthen implementation of existing LCR requirements regarding monitoring, treatment processes, public education, customer awareness and lead service line replacement. States will have to revise and enforce stricter public education and Consumer Confidence Report (CCR) provisions with respect to lead. (Promulgated: 10/10/07; Effective: 12/10/09).

b. Disinfection By-Products/Microbial Contaminants Phase 2 Rules (known as “LT 2/Stage 2): Disinfection of drinking water (typically using chlorine) ensures the microbiological safety of drinking water. However, that process can also create cancer-causing contaminants (called “disinfection by-products” or DBPs) that are themselves problematic. This complex suite of rules requires all water systems that disinfect to ensure that they find the “sweet spot” between killing or inactivating bacteria and viruses in drinking water; while at the same time, reducing quantities of cancer-causing disinfection by-products. (Promulgated: 1/5/06; Effective Date: 10/1/06; with cascading deadlines for various tasks into the future) New tasks include:

- Review and approval of cryptosporidium and E. coli monitoring plans
- Making grandfathering determinations
- Review and approval of “40/30” certifications (i.e., more lenient requirements based on a good track record).
- Review and approval of DBP standard monitoring plans and compliance monitoring plans
- Review and approval of Initial Distribution System Evaluation (IDSE) reports
- Review and approval of cryptosporidium “bin” classifications
- Consult with water suppliers and make decisions regarding sampling locations for E. coli and cryptosporidium, including decisions about “Ground Water Under the the Direct Influence” (of surface water) trigger levels, multiple sources, and sampling locations for DBPs.

- Update laboratory reporting guidance, data management procedures and other related guidance documents
- Provide training to State staff and the regulated community
- Track new monitoring requirements
- Additional Federal reporting

c. Ground Water Rule: Over 80% of the nation's community water systems are served by ground water; many of which do not currently disinfect their drinking water supplies. This recently promulgated rule requires States, working with water systems, to assess the vulnerability of all water systems using ground water and correct all deficiencies that pose a human health risk. (Promulgated: 1/8/06; Effective: 12/1/09) New tasks include:

- Incorporate Federal requirements into State regulations
- Conduct source water assessments
- Determine specific criteria for defining 4-log treatment for inactivation/removal of viruses
- Review and approval of system 4-log treatment designations
- Additional permitting workload to review and approve 4-log treatment, particularly for Non-Community Water Systems
- Conduct periodic sanitary surveys of all groundwater systems
- For sanitary surveys, determine what constitutes "significant deficiencies" and "outstanding performance"
- Recommend, review, and approve corrective actions by water utilities
- Track triggered source water monitoring
- Track new monitoring requirements, such as chlorine residual and/or operation of alternative treatments
- Additional Federal reporting

State PWSS Program Activities Not Specifically Covered by New Rule Estimates and Not Already Addressed in PWSS Grant:

d. Small Water Systems Support: As drinking water regulations become increasingly complex and as the operator workforce continues to age, the need for enhanced support and assistance for small (serving populations of fewer than 10,000) systems increases. These small systems frequently have poor economies of scale that leave them ill-equipped to meet the escalating costs of water treatment operations. Thus, State primacy agencies, either directly or through contracted technical assistance providers, spend time working with these systems on an individual basis to find unique solutions.

e. Addressing Unregulated Contaminants: State drinking water programs must also respond to a host of unregulated contaminants, such as MTBE, perchlorate, PFOA/PFOS, and pharmaceuticals/personal care products, to name but a few. States conduct monitoring for many of these contaminants, evaluate their health significance, advise water systems and their customers about appropriate steps (if any) to be taken to mitigate risk, and, where appropriate, establish State-specific advisories or regulations.

f. Data Management Support: In the past few years, States have expended very significant efforts to modernize their data management systems to accommodate the suite of new rules and to interface with EPA’s modernized data flows. This has been time and resource-intensive for States and has not been full accounted for in the PWSS grant.

g. Integrating Security into Water Programs: Security considerations have grown in recent years from potential manmade events to a more broad based “all hazards” approach that includes accidents and natural disasters. State primacy agencies must be positioned to support the response, recovery, and business continuity needs of all water systems so that the economic vitality of a community or region is not irreparably harmed. The natural expansion of public health protection into the water security arena means that States must incorporate security into their more traditional implementation efforts.

Quantitative Justification for Recommended Level

- **Adjustment to Base Appropriation: \$124.3 million** (represents 2004 appropriation level adjusted for inflation)
- **Annual State Costs of Rules Effective Since 2004** (Note: These figures are from EPA’s Economic Analyses accompanying the following rules and represent mean annualized costs for States at 7% discount rates):

Ground Water Rule:	\$11.7 million
Stage 2 DBP Rule:	\$1.7 million
LT 2 ESWTR:	\$1.4 million
Arsenic Rule:	\$1.2 million
LCR Short Term:	\$0.6 million
Radionuclide Rule:	\$0.1 million
Filter Backwash Rule:	\$0.1 million
LT 1 ESWTR:	\$6.6 million
<u>Stage 1 DBPR:</u>	<u>\$17.3 million</u>
TOTAL:	\$40.7 million

Note: States believe the Economic Analysis significantly underestimates State costs, thus, we recommend increasing this total by a factor of approximately 25% to \$50.7 million.

State Costs for PWSS Program Activities Not Specifically Covered by New Rule Estimates and Not Already Addressed:

Small water systems support:	Need 2 FTE, on average, per State
Addressing unregulated contaminants:	Need 1 FTE, on average, per State
Data management support:	Need 1 FTE, on average, per State
Integrating security into water programs:	<u>Need 1 FTE, on average, per State</u>
TOTAL FTEs NEEDED:	Need 5 FTEs

Assuming \$100,000 per FTE (salary & benefits); 10 X \$100,000 X 50 States = \$25,000,000

Total PWSS Annual Financial Need:

Current State Request:	\$124.3 million
Annual Costs of New Rules:	\$50.7 million
Annual Unaddressed Costs:	<u>\$25 million</u>
GRAND TOTAL:	\$200 million

Implications of Inadequate Funding Levels

States must accomplish all of the above-described activities, and take on new responsibilities, in the context of the current national economic crisis. This has meant further cutting their budgets, streamlining their workforces, and operating with less State-provided financial support. State drinking water programs have often been expected to do more with less and States have always responded with commitment and ingenuity. They have frequently “over-matched” the 20% State share of the Drinking Water State Revolving Loan Fund and taken on an array of responsibilities under the program set-asides associated with those funds. However, State drinking water programs are now in crisis. Insufficient Federal support for this critical program increases the likelihood of a contamination event that puts public health at risk. Examples of the kinds of activities most likely to suffer without adequate funding are:

Field Activities: Insufficient resources hinder adequate State field presence at water systems. States are either unable or are delayed in reviewing all the things that water suppliers must submit to the States (e.g. monitoring plans, annual reports, watershed sanitary survey reports, assessment reports, permit applications, etc.).

Assuring Sufficient Water Quality and Quantity: The increased severity and frequency of storm events and droughts has intensified the need for State efforts to assure safe, secure and adequate supplies of drinking water. The growing complexities of drinking water sampling and treatment as communities need to access water that is naturally and/or anthropogenically contaminated (even from some "regulated" sources) challenges State drinking water program personnel. These activities need to be adequately supported.

Training (for State staff, water suppliers, and laboratories): Training is akin to Research and Development programs – the near term impacts of program cuts in these areas may not be immediately felt, but the loss of a trained cadre of professionals has serious longer term consequences for program integrity and ultimately, public health.

Data Management: Accurate and reliable data upon which to base decisions and to verify compliance are the “heartbeat” of drinking water programs. These activities are time and resource intensive and among the program areas that are most impacted by insufficient funding.

State Laboratory Capacity: State laboratories play a key role in providing reliable sample results for State decision-making purposes as well as quality assurance and quality control standards that undergird the State’s drinking water program. Insufficient funding jeopardizes that important function.

Waste and Related RCRA Programs

The **Top Priority** for waste programs is the need for Corrective Action funding. Because the funding has been so inadequate over the years, many States have over-matched the funding. We estimate the budget for this item could be increased by 25% without the need for States to find new matching funds.

Hazardous Waste Financial Assistance

In order to enable States to implement effective and adequate RCRA C programs, the States believe \$275M is needed for State Hazardous Waste Financial Assistance grants. At a minimum, \$367M in State and Federal funding is needed to run State RCRA C programs – the State share should be \$92M (25%) with the remaining \$275M in State Hazardous Waste Financial Assistance grants.

In 2006 the States conducted a pilot program to determine the cost to States for implementing a complete and adequate RCRA Subtitle C Program (hereafter referred to as “RCRA C” or “RCRA”). The report entitled *State RCRA Subtitle C Core Hazardous Waste Management Program Implementation Costs - Final Report (January 2007)* revealed that the cost to States of implementing a complete and adequate RCRA Program in 2006 was approximately \$255 M.

Using a required 25% State match for Federal grants, it would appear that States should have contributed approximately \$64M toward this estimated annual program cost in FY06, and the Federal grants should account for approximately \$191M for an adequate and effective program. However, this is not the case. A separate data collection project by the States shows that, for FY06, States estimated their hazardous waste program costs (including both Federal and non-Federal sources of funding) to be approximately \$189M. Compared against the enacted Federal RCRA C State/Tribal Assistance Grant (STAG) funding level of approximately \$101M, this indicates that States contributed approximately \$87M (\$25M more than the required cost share) toward the core hazardous waste program in their efforts to ensure program effectiveness. Clearly, additional resources are needed to fully fund the RCRA C program. However, the RCRA C STAG appropriations have continued to fall far short of the needed level.

Another important finding in the report is that professionals who are responsible for day-to-day implementation believe that the currently available Federal and State resources provide only about 74% of what is needed to run an effective and adequate RCRA C Core Program. This doesn't consider important new initiatives such as Sustainability and the Resource Conservation Challenge, and implementation of the new “definition of solid waste rules.” At a minimum, \$367M in State and Federal funding is needed to run State RCRA C programs (100% funding rather than the current 74% that was being spent by States in 2006 which was \$255M or \$273M in 2008 dollars). The State share should be at least \$92M, which is half of what the States spent in FY06. In order to enable States to implement effective and adequate RCRA C programs, States request that \$275M be appropriated for State Hazardous Waste Financial Assistance grants.

If States are to continue to meet the increasingly challenging national goals for the RCRA C Core Program set by EPA and the Office of Management and Budget (OMB), and to satisfactorily meet the reasonable expectations of the public that these programs will be implemented in a manner which ensures continued protection of human health and the environment, the funding recommendation must

be addressed. To do nothing will only exacerbate the current funding gap and further erode the national capacity to prevent harmful releases of hazardous constituents to the environment, as well as the capacity to clean up those releases which have occurred in the past.

Some examples of recent regulatory requirements that contribute to this need include the following:

- The RCRA C Core Program consists of permitting, remediation (closure, corrective action), compliance, enforcement, and program development activities. Through the pilot study, it was determined that the total program need for implementing the RCRA C Core Program in 2006 in the ten pilot States was approximately \$51,000,000 annually, and the 2006 national program need for the fifty States was estimated to be approximately \$255,000,000 annually. However, it is also noted that, due to the increasing emphasis on timely completion of remediation and other activities at the majority of Government Performance and Results Act (GPRA) facilities, it is anticipated that this estimated cost may in fact be lower than the actual cost of the RCRA C Core Program. For example, the permitting focus has historically been on issuance and reissuance of permits as related to meeting the GPRA goals for permitting and “approved controls in place.” Based on this cost estimation project, it is now abundantly clear that State program costs to modify and maintain hazardous waste permits comprise a significant portion of State RCRA C Core budgets. These costs will continue to be significant long after the number of permitted facilities has peaked. These program elements are significant in that they have not historically been discussed or specifically funded as part of the State/EPA planning and negotiation process in many States.
- As a second example, this cost estimation project clearly highlights the need for ongoing consideration of State oversight costs for long-term stewardship at remediation facilities. The current remediation focus is on remedy decisions and construction completion related to meeting the mid-term GPRA goals for corrective action. While there may be some facilities that are able to exit the corrective action universe once remedy construction is complete, there will be a large number of facilities that will continue to operate remedies for years if not decades before corrective action can be considered complete. This must be considered in the context of future long-term funding for State RCRA C Core programs.
- As a third example, since the genesis of the original GPRA Environmental Indicator (EI) evaluations, several additional RCRA C performance measures have been developed by EPA in coordination with the States, and others are under development/consideration. Similar to EIs, State resources necessary to address/document these new performance measures are expected to be significant. The costs associated with these new activities were not estimated as part of this evaluation as the performance measures were not developed well enough at the time of estimation to come up with associated costs. Based on States’ experiences with the EI evaluations, it is certainly plausible that the additional costs associated with the new performance measures alone could add another 2-3% to the overall cost of State RCRA C Core programs. These potential costs should be kept in mind as future State resource and funding needs are evaluated.
- As a fourth example, the pilot State results show that a significant portion of the inspection and enforcement budgets are expended conducting inspections and enforcement at Small Quantity

Generator (SQG) and Conditionally Exempt Small Quantity Generator (CESQG) facilities, which greatly outnumber Large Quantity Generator (LQG) and Treatment, Storage and Disposal (TSD) facilities. However, these facilities have historically been funded at a fraction of the cost of LQG and TSD facilities, which likely accounts for a large portion of the funding gap in these program areas. The actual costs of inspection and enforcement at these smaller facilities should be kept in mind as future State resource and funding needs are evaluated.

Additionally, ECOS notes:

- 1) In many States, a single individual is charged with RCRA financial assurance reviews. If an EPA Region were to establish a small team of staff members with expertise in RCRA financial assurance (and financial assurance in other programs, for that matter), this could greatly assist States in accessing expertise. EPA should consider redirecting base program resources to enhance the Environmental Finance Center Network <http://www.epa.gov/efinpage/efcn.htm> and provide more tools for States.
- 2) Along the same lines, States struggle with performing special analytical studies and often have difficulty funding such research. Perhaps regional labs could offer a percentage of their time and knowledge in assisting with studies on a regional and multi-programmatic basis in areas like children's health (e.g., pharmaceuticals).
- 3) States also have difficulty with in-house risk assessment expertise. This is another area where the EPA Regions could develop know-how that States could access. Increased resources could be directed to the National Center for Environmental Assessment in ORD for grants to States in need of risk assessment expertise.
- 4) Regions could provide expertise to assist EPA efforts in promoting energy savings projects and cutting-edge technologies in waste and other areas. The pilot programs identified in the 2020 Vision process should be multi-State or multi-regional in nature with transferable outcomes for each of the States, and the EPA Regions should serve as "consultants" to ensure their success.

Underground Storage Tanks

The Energy Policy Act of 2005 P.L. 109-58 (EPAct) imposed several significant new regulatory requirements on the States. Section 1523 of the Act imposed one of the most significant new requirements - that States inspect all regulated underground storage tanks (USTs) every three years. States must complete the first three-year inspection cycle by August 2010. The three year inspection cycle imposes a significant fiscal burden on States.

The estimated annual cost to States for the three year inspection cycle is \$41.6 M. This figure is derived by estimating the number of inspectors that are needed nationally to inspect an estimated 235,000 facilities (623,000 total USTs based upon a conversion factor of 2.65 tanks per facility) every three years. Assuming that an inspector can conduct 200 inspections per year on average, there is a need for 392 inspectors nationally to inspect 235,000 tanks every three years. Assuming \$100,000 fringe and salary per inspector, States need at least \$39.2M per year to meet this new, Federally imposed, regulatory requirement.

In addition to the new three year inspection cycle, EPAct also requires that States: 1) require operator training; 2) implement a delivery prohibition for non-complying facilities; and 3) require secondary containment or financial responsibility for tank manufacturers and installers. All of these requirements impose significant fiscal burdens on the States. The FY 2008 Omnibus Budget Bill increased State assistance by approximately \$22 M to help States achieve the requirement of the Energy Policy Act (the STAG was reduced from \$11.7M to \$2.5M and \$31M for UST programs was added to the LUST Trust Fund). The amount appropriated for EPAct requirements is about half of what is needed for the three year inspection cycle alone. For that reason, the States believe the need is a total of \$63.1M for State UST programs. An increase of \$29.4M is for the Federal share of the three year inspection cycle (State share is \$9.8M) and the remaining \$33.7M will fund other State UST and EPAct requirements.

FIFRA - Pesticides Programs

Following is a list of the EPA program rule changes, policy changes and initiatives that will have a budgetary impact on State pesticide programs:

1. Pesticide Container/Containment Regulations – major impact with August 2009 implementation date.
2. Pesticide Worker Protection Standards – currently at OMB.
3. Pesticide Applicator Certification & Training rule changes – currently at OMB.
4. Laboratory Equipment & Analytical Methods Development needs – keeping pace with new chemistry & methods.
5. Chemigation Pesticide Registration (PR) Notice – still in discussion, but with likely PR Notice in 2009.
6. Drift PR Notice – PR Notice expected to be issued in early 2009.
7. Heating, Ventilation, and Air Conditioning (HVAC) PR Notice – will impact uses of anti-microbials in HVAC systems.
8. Soil Fumigation Registration Eligibility Documents – new labels to be in circulation by 2010.
9. Rodenticide Mitigation Measures – additional restrictions on the sale and use of rodenticides.
10. Water Quality monitoring, POINTS (Pesticides of Interest National Tracking System) reporting – new management decisions, tracking, lab costs.
11. On-going registration and labeling decisions (e.g., pyrethroids buffer zone restrictions, restrictions on 2,4-D use and hazard statements, FIFRA 25[b] exemptions, new chemical registrations, and product stewardship requirements on labeling).
12. A recent court decision in the 6th Circuit Court of Appeals (Cotton Council, et al. vs. EPA) appears to mandate NPDES permits for aquatic pesticide applications, which will place an additional burden on the State lead pesticide agencies to develop and respond to the permitting process.
13. The national PART performance measures for enforcement will require many States to modify programs to reach target goals, while at the same time doing so with reduced funding.
14. Aside from new rules and policies, basic "cost of living/inflation" indexed increases must be considered. Each State Lead Agency ("SLA") FTE position costs more than it did last year, and last year it cost more than the year before, and so on. Besides cost of living we need to include benefits, training costs, equipment for laboratories and inspectors, fuel and maintenance costs, office rents, etc.

States note that about 100,000 SLA - FIFRA related inspections were conducted last year, among the most inspections of any delegated EPA program. Many of these inspections are conducted at facilities with linkage to Homeland Security (bulk fertilizer and pesticide storage facilities, on-farm storage, distributor and retail storage warehouses, etc.). These inspections should be recognized for their importance to national security and for protecting public health and environmental safety.

Lead Abatement

EPA is now asking States to adopt programs at least as stringent as the recently promulgated Renovation, Repair, and Painting rule. It appears to ECOS that the size of the regulated community is much larger than the current TSCA 402(a) program. Our needs statement here is designed to encourage States to create these programs and operate the rule on behalf of the US EPA by addressing the increased funding needs. ECOS believes this program is a key component of children's health, and we address it further in that section below.

Part 2. Cross-Programmatic Budget Priorities

The States believe the information in Part 1 accurately and fairly describes our needs in the core programs as we see them. However, we also recognize that due to congressional budgeting rules it is unlikely that we will see the increase needed in a single budget year to meet these needs. Instead, we propose to add an inflationary modification to the President's 2010 budget proposal (or the final 2010 budget as enacted, whichever is greater), and add several priorities that we think address unmet, mostly multi-media needs.

EPA's budget is developed mostly by individual media programs, which necessarily and understandably focus on a single media. However, State environmental agency leaders often see where a multi-media approach may provide a needed – and better – response.

Some of the priority areas that we offer for consideration are:

1) LEAN – This is ECOS' top priority because of the very great potential for it to reduce the costs to both States and EPA. The purpose of this would be to facilitate State use (or State/EPA joint use) of “LEAN methods” (such as kaizen, six-sigma and value-stream mapping) to pursue reductions in processes, costs, and time in order to reduce work and therefore the need for new resources. These efforts will help US EPA as well, and will assist States in reducing the labor requirements for not only State and Federal staff, but often for the regulated community as well. Environmental outcomes are markedly improved. Early efforts in this area show great promise, but States are hampered by a lack of funding to conduct the intensive sessions needed to complete a LEAN event. For an external opinion of the value and role of LEAN, see Governing Magazine:

<http://www.governing.com/column/promise-going-lean> .

US EPA and the Region VII States worked on a process streamlining effort on watershed standards setting in 2007, and followed this up with an NPDES kaizen event in 2008. These were success efforts, with significant input from both States and EPA.

ECOS has listed a much larger set of examples of these projects at:
http://www.ecos.org/files/3568_file_ECOS_Lean_Inventory_4_22_09.pdf

2) Enforcement – The efforts of the Office of Enforcement and Compliance (OECA) interacts with the States in many important ways and is the source of much of the demands on State time for delegated programs through its National Program Manager Guidances, among others. States support strong enforcement and compliance programs and are asking for funding to implement these initiatives. States need this to be an effort that is jointly developed, so as to assure that the needs of both OECA and the States are being met. One specific example we offer is to improve the oversight processes that US EPA undertakes with States. Currently, OECA and the media programs (air, water, etc), conduct oversight reviews of State programs separately. This doubles the burden for States, which must go over much of the same material twice each year, once with the OECA office and once with the program. We ask that these oversight activities be consolidated for those States that prefer this, and we believe this alone will result in a cost savings for States, and better information sharing within US EPA. A second request is to have each region coordinate inspections with the State to prevent unwanted duplication and expand coverage. For example, Nebraska requests and receives a list from Region VII of facilities that EPA plans to inspect in advance, thereby allowing the State to indicate possible duplications and provide feedback based on their experiences at those facilities.

3) Children's Health – EPA/OPPT promulgated a Lead Paint Renovation and Remodeling Rule last year that provides for more stringent regulation of high-risk renovation work on residential lead paint. Implementation of this rule by the States would doubtless be more effective than EPA Regions given superior State knowledge of local practices and renovation contractors. EPA training and licensing through the Regional offices will be difficult at best to manage at a regional level. EPA is currently (2009) providing \$75,000 grants to scope out State implementation of this rule. If additional funding is available to support State delegation of the Lead R&R rule, a number of States will be interested in taking such delegation. Timing suggests that a Federal grant equal to 100% of the States costs for at least the first year would help States accept delegation without waiting for Legislatures to reconvene to appropriate matching grants.

In addition, Federal funding support will assist a State's efforts to protect children's environmental health by providing funding to State environmental protection agencies to:

- Support the aspects of the core programs in protecting vulnerable populations;
- Support State efforts to develop innovative approaches to reducing the use of hazardous substances in products or environments important to children;
- Support State efforts to develop innovative approaches to addressing the cumulative impacts of exposures to multiple environmental agents and both chemical and non-chemical stressors, (as identified in the recent report by the National Academy of Sciences);
- Support State efforts to develop innovative approaches to meeting the needs of children and infants in climate change mitigation policies and in climate change adaptation policies;
- Increase the translation and dissemination of scientific findings in ways that are informative to stakeholder and policy communities interested in identifying needs for action to improve children's environmental health protection;

- Collect and synthesize environmental and health data for policy audiences that may be most relevant to environmental factors and childhood chronic diseases within a State;
- Develop the means to enhance coordination between health and environmental agencies and other partners;
- Promote communication, joint action, and sharing of resources between individuals, organizations, and agencies;
- Prepare integrated environmental assessments that use findings and data from different disciplines to systematically assess children's environmental health protection, identify appropriate institutional responses and prepare individual State action plans;
- Enhance the delivery of innovative State environmental programs that address the impacts of the built environment on children's health;
- Identify and implement administrative measures and policy approaches that could reduce the determinants of ill health and promote determinants of good children's environmental health within a State; and
- Develop communication tools to disseminate to State health and environmental agencies information that will support actions to address pertinent environmental factors that create negative health outcomes not only for children and other sensitive populations but also for the public at large.

4) *Climate* – States have undertaken many climate initiatives on their own accord over the past decade, and now the Federal government seems ready to pass legislation on this matter. Although this is not yet resolved, ECOS feels it is time to recognize that such legislation may be in place by the start of fiscal 2011 and that the legislation will have a significant role in implementation for States to conduct. This role is likely to include data collection, monitoring, inspections, and verifications. Even if this legislation does not come to pass, ECOS believes it is in the national interest for the Federal government to support State efforts to mitigate climate change. Therefore, we propose that the agency support a State effort that works with the air, water, drinking water and waste programs and other relevant parts of the agency to address climate issues at the State level.

For example, EPA has already created a State-Agency group to investigate approaches to dealing with climate change on the wastewater program. On the waste side, Land & Materials Management Programs have a demonstrated significant positive impact on the reduction of greenhouse gases. There is a need to focus on coordination between waste and air programs, both at the Federal and State levels, to ensure optimization of the role of waste programs in Climate Change initiatives. In drinking water, the priority is to ensure adequate future water supplies coupled with efforts to conserve water and be as water efficient as possible.

5) *Mercury* – The States believe we have before us an opportunity for coordinated actions to focus a comprehensive effort to address mercury more effectively and efficiently. Successes with mercury vehicle switches, long term mercury storage and thermostats highlight the results of the long standing working relationship between ECOS, the Quick Silver Caucus and EPA. Our challenge is to move beyond the current approach of addressing one product at a time and, instead, to embrace a “break

out” agenda that clearly articulates a multi-faceted approach to mercury, including collaboration on international mercury treaty work.

Our interest is in building our agenda with EPA as our partner. While there are always challenges to crossing disciplines and bringing varied organizations together, mercury is such a compelling issue that we are sure we will find ways to build success together. ECOS comments on the Strategic Plan also highlighted this opportunity. Starting a conversation to create a comprehensive State and Federal mercury strategy will guide work within and between our organizations.

6) Data Management - The movement of data between States and EPA is our single largest interaction. Increased funding would help to align State and EPA information management capacity with U.S. EPA’s goals of greater transparency and improved access to environmental information.

Several of these ideas might require funding to be pooled in order to facilitate the development of an application that is built once but used many times by all interested States.

Environmental Dashboard

As States and U.S. EPA expand their ability to publish their environmental information through the Exchange Network, we have an opportunity to create sharable online tools that can consume and display near real-time information. One tool that could be particularly useful is an environmental dashboard. A dashboard application could grant environmental managers, researchers, and the public ready access to summary or detailed information to inform their decisions about managing and living in our environment. Executives in environmental agencies could use a dashboard to quickly and easily discern the number of permits issued, inspections completed, or enforcement actions taken. Quick access to this type of information is not typically available and would be very useful for State and Regional EPA staff. One could also create public facing tools that would allow researchers to access raw data sets for analysis and provide views for the public interested in environmental health risks.

Universal Facility Profiler

Information on regulated facilities is often stored in stove-piped systems that serve a narrow programmatic purpose. Getting a full cross-media profile on a given entity is challenging since the information can be scattered among several distinct data systems. Integration of back-end data systems can help overcome this problem, but that can be a costly proposition. An alternative is to build a facility profiler application that integrates data across programs on the front end. For example, a web-based facility profiler could use the Exchange Network to aggregate and display information on permits, inspections, and violations across air, water, and waste programs. With adequate funding, one could build a universal facility profiler that could offer customizable views and be shared among all States.

Funding for Innovative Exchange Network Projects

The Exchange Network Grant Program has funded the development of some highly innovative tools that can be leveraged nationwide with some targeted implementation funding to States. An example is the Homeland Emergency Response Exchange (HERE). HERE allows participating agencies to reach across organizational lines to retrieve integrated environmental and natural resource data. Emergency planners can quickly identify potential dangers posed by chemical inventories or hazardous waste storage. In minutes, response teams can assess threats to drinking water infrastructure or other environmental interests. HERE provides access to better information that can offer opportunities for

more comprehensive planning and more informed responses. States in Region VII have already implemented HERE and Region V States are currently rolling it out. Funding for additional enhancements and implementations could enable a truly nationwide network for environmental data of interest to emergency responders.

Other opportunities to improve access to environmental information abound. Health and environmental agencies would greatly benefit from improved access to each other's data. The constant evolution of geospatial tools and the increased prevalence and sophistication of mobile data devices create ever more demand for instant access to information that is accurate and relevant to one's location. A source of funding for innovative projects will help States and EPA meet the continuously rising demand for environmental information.

Funding for Sharable Electronic Data Collection Solutions

States, EPA, and industry are realizing the benefits of electronically collecting data from regulated entities. Compared to paper-based reporting, electronic data collection offers vastly reduced administrative burdens for data reporters and collectors, opportunities for improved data quality through automated quality assurance, and much timelier access to information. While some States have been leaders in incorporating e-government into their business practices, many continue to rely on paper-based systems because of a lack of funding to develop electronic alternatives. Available State funding could be used to build a suite of electronic data collection and storage solutions that could be shared among all States. These solutions would be developed to be compatible with the requirements of the Cross-Media Electronic Reporting Rule (CROMERR), significantly lowering the level of effort for States and EPA to assure compliance with the rule. These systems would be integrated with existing Exchange Network infrastructure to ensure timely access to information for all potential data consumers.

7) Other Suggestions –

- Increased funding is needed for State programs to assess and prioritize formerly utilized defense (FUD) sites. Since Department of Defense funding has not materialized, assessment funding would allow States to at least assess which sites need further work.
- Provide direct State funding to all State Pollution Prevention (P2) programs, rather than the current competitive grants basis. This could be done on an "environmental results" challenge to the States with the funding amount based on what a State believes it can produce with its P2 program per year. Infrastructure and reporting systems are already in place to do this.
- While there are several existing EPA and State programs that are helping to move the U.S. toward more comprehensive material management decision making, there is no comprehensive materials management strategy at the Federal level or State level. Regulations and economic instruments seek to prevent or mitigate certain impacts, but rarely take sufficient account of upstream or downstream effects. To accomplish the shift to life-cycle materials management, Federal and State governments need to collaborate to make systematic efforts to collaborate to ensure that materials are used more efficiently and effectively and appropriate long term decisions are being made.
- Continue to Expand State Reporting Burden Reduction Implementation Nationwide. The Burden Reduction initiative has currently focused on individual region-State interactions. Now that many

of these have been addressed, the opportunity to transfer ideas nationally from an individual region should be pursued. Adopt burden reduction suggestions nationally within a single NPM (ex. Region "x" and "x" State adopted an Office of Water suggestion and now all regions adopt for OW programs). Adopt burden reduction suggestions nationally across NPMs (ex. Region "s" and "s" State adopted an OW suggestion that should now be reviewed by all NPMs for possible adoption nationwide).

2011 States' Statement of Need

State and Tribal Assistance Grants (all figures in thousands of dollars)

	FY 2009 Enacted	FY 2010 President's Budget Proposal	FY 2011 States' Statement of Need	
State and Tribal Assistance Grants (STAG)				
Categorical Grants				
Beaches Protection	\$9,900	\$9,900	\$10,098	2.0%
Brownfields (limited by statute to \$50m)	\$49,495	\$49,495	\$50,000	1.0%
Environmental Information	\$10,000	\$10,000	\$10,200	2.0%
Hazardous Waste Financial Assistance	\$101,346	\$106,346	\$200,000	88.1%
Homeland Security	\$4,950	\$0	see note 1	
Lead	\$13,564	\$14,564	\$14,855	2.0%
Local Govt Climate Change	\$10,000	\$0	\$0	
Nonpoint Source (Sec. 319)	\$200,857	\$200,857	\$408,000	103.1%
Pesticides Enforcement	\$18,711	\$18,711	\$19,085	2.0%
Pesticides Program Implementation	\$12,970	\$13,520	\$13,790	2.0%
Pollution Control (Sec. 106)	\$218,495	\$229,264	\$540,000	135.5%
Pollution Prevention	\$4,940	\$4,940	\$5,039	2.0%
Public Water System Supervision (PWSS)	\$99,100	\$105,700	\$200,000	89.2%
Radon	\$8,074	\$8,074	\$8,235	2.0%
Sector Program	\$1,828	\$1,828	\$0	-100.0%
State and Local Air Quality Management	\$224,080	\$226,580	\$326,580	44.1%
Toxics Substances Compliance	\$5,099	\$5,099	\$5,201	2.0%
Tribal Air Quality Management	\$13,300	\$13,300	\$13,566	2.0%
Tribal General Assistance Program	\$57,925	\$62,875	\$64,133	2.0%
Underground Injection Control (UIC)	\$10,891	\$10,891	\$11,109	2.0%
Underground Storage Tanks	\$2,500	\$2,500	\$2,550	2.0%
Wastewater Operator Training	\$0	\$0	\$2,000	n/a
Water Quality Cooperative Agreements	\$0	\$0	\$0	
Wetlands Program Development	\$16,830	\$16,830	\$17,167	2.0%
New Priorities (see note 2)				
Climate Programs	\$0	\$0	\$50,000	new
Enforcement	\$0	\$0	\$50,000	new
Children's Health	\$0	\$0	\$12,500	new
LEAN Projects	\$0	\$0	\$5,000	new
Wetlands Program Implementation	\$0	\$0	\$5,000	new
Data Management Initiatives	\$0	\$0	\$25,000	new
Mercury and "Other"	(included in above categorical grants)			
Subtotal, Categorical Grants	\$1,094,855	\$1,111,274	\$2,044,108	83.9%

Infrastructure Assistance			
Infrastructure Assistance: Clean Water SRF	\$689,080	\$2,400,000	see note 3
Infrastructure Assistance: Drinking Water SRF	\$829,029	\$1,500,000	see note 3
Congressionally Mandated Projects	\$153,000	\$0	see note 3
Infrastructure Assistance: Alaska Native Villages	\$18,500	\$10,000	see note 3
Brownfields Projects	\$97,000	\$100,000	see note 3
EPAct & Related Authorities Implementation (DERA)	\$60,000	\$60,000	see note 3
CA Emission Reduction Project Grants	\$15,000	\$0	see note 3
Infrastructure Assistance: Mexico Border	\$20,000	\$10,000	see note 3
Subtotal, State and Tribal Assistance Grants (STAG)	\$1,881,609	\$4,080,000	see note 3
TOTAL, STAG	\$2,976,464	\$5,191,274	
Notes:			
Note 1. ECOS recommends that this item be funded from the Homeland Security budget.			
Note 2. These are new items that ECOS believes are both state and federal priorities. These are described in more detail in the text.			
Note 3. ECOS is not recommending specific infrastructure funds, but commends the agency and Congress for appropriations in the ARRA and proposals in the President's 2010 proposal.			